3103 Lower River Rd., Vancouver, WA 98660 ◆ (360) 693-3611 ◆ Portland (503) 289-8824 ◆ Fax (360) 735-1565 ◆ Portland (503) 285-6091

PORT OF VANCOUVER USA

April 11, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
333 S.W. First Avenue
Portland, OR 97204-3495

Re: Potential Development of Gateway Property – Updated Information

Dear Ms. Hicks:

We would like to take this opportunity to provide the Corps of Engineers with updated information regarding the Port of Vancouver's potential development plans for its Columbia Gateway property. Included is information developed since the Port prepared its Columbia Gateway Master Plan. The information demonstrates that the Port's development plans are independent of the Corps' channel improvement project and will, depending on regional market conditions, proceed regardless of whether channel improvement occurs.

We understand that the Corps may be providing this information to the National Marine Fisheries Service and United States Fish and Wildlife Service as part of the ongoing Endangered Species Act consultation regarding the Columbia River channel improvement project. We further understand that the Corps may use this information in preparing its Supplemental Environmental Impact Statement for the channel improvement project.

Before discussing specific development plans, we would like to provide some context for the Gateway project. First, the tight supply of industrial land in Clark County and the Portland-Vancouver area supports developing the Gateway property whether or not the Corps' channel improvement project occurs. As you know, the Port's Gateway property is zoned for industrial uses. Regional analyses indicate that, regardless of whether the Corps implements the channel improvement project, industrial lands are in short supply in Clark County and in the Portland – Vancouver metropolitan area.[1] The Port's Gateway property is among only a handful of large industrial parcels (over 100 acres) in the region, and is the largest industrial property under one ownership in the Portland metro area. As such, the Gateway property represents a scarce regional resource which, regardless of channel improvement, the Port is committed to developing consistent with its mission of providing economic benefit to the community "by developing and operating facilities and services for marine, industrial and non-traditional uses within the constraints of good environmental stewardship."

Second, the precise form and timing of industrial development at Gateway will depend on national and regional economic and market factors. Nevertheless, before implementing any

---

[1] Columbia River Economic Development Council, *Report to Clark County on Current Industrial Land Inventory* (November, 2000) (copy attached); *see also* Otak, Inc., *Regional Industrial Land Supply for the Portland – Vancouver Metropolitan Area* (December, 1999).

Enclosure 3

specific plan for industrial development, the Port will prepare an Environmental Impact Statement (Columbia Gateway EIS) for the property. In fact, the Port and the City of Vancouver are currently working on a comprehensive Columbia Gateway EIS for development of the property, a draft of which will be available for public review this summer. Any of the development options currently under consideration would also require ESA consultation as a result of in-water work and fill activities requiring federal permits under Section 404 of the Clean Water Act. Various other federal, state and local approvals would also be required, ensuring rigorous review of all environmental and other potential impacts of any proposed industrial development.

Turning to actual development plans for the Gateway property, the Port would like to re-emphasize the readily apparent fact that the Port's development of Gateway is not part of or dependent on the Corp's channel improvement project. The two projects are independent of one another.

The relative roles of the Corps and the Port under the two projects demonstrate the independence of the two projects. As you know, and as is described in the Corps' Final EIS, under the channel improvement project, the Corps would use a specified portion of the Gateway property as a site for disposing of dredged materials. The Port would be obligated to maintain the disposal site for use by the Corps over the life of the channel improvement project. The Port could remove dredged materials from the site for use on its property or for sale. However, the Corps would not place dredged materials anywhere on the property other than in the disposal site. Further, the Port could not use dredged materials for development purposes until and unless it completed its independent Columbia Gateway EIS and received all appropriate federal, state and local approvals. In other words, the Corps' channel improvement project in no way implements or purports to authorize the Port's independent development of Columbia Gateway.

The fill requirements and available sources of fill for the Port's Gateway development project further demonstrate the independence of Gateway development and channel improvement because Gateway development does not depend upon channel improvement dredge material as a source of fill and can readily proceed without it.

First, the amount of fill available from channel improvement represents only a minor portion of the fill needed to bring portions of the Gateway property above the flood plain for potential future development. Development of the Gateway property would require approximately 12 million cubic yards (Mcy) of fill, approximately 8-9 Mcy of which is needed for Parcel 3 and approximately 3-4 Mcy of which is needed for Parcel 5.[2] At the time the Master Plan was written (March 1998), the Port's understanding was that only approximately 5 Mcy could be available from channel improvement, of which approximately 3.6 Mcy would be available in the near term from construction, with approximately 1.2 Mcy available over a 20 year period from maintenance.[3] The Port therefore assumed that only approximately 40% of the fill material needed for Gateway development might ever be available from channel improvement over a 20 year time frame. By the time the Corps published the FEIS for channel

---

2 *Columbia Gateway Master Plan* (copy attached) at 38-39.

3 *Columbia Gateway Master Plan, Task 14, Fill Sources and Costs* (copy attached).

improvement (August 1999), the projected available quantity had dropped substantially, down to only 2.8 Mcy over the entire 20 year period, which represents only slightly more than 20% of the fill needed for Gateway development. We understand from the Corps that, based on recent surveys which should be available shortly, the projected available quantity has dropped even further.[4]

Second, developing the Gateway property will and has always depended on the ready availability of cost-effective fill material from sources that are unrelated to channel improvement. Sufficient quantities of fill should be available from these other sources over the anticipated development period for Gateway to replace all of the material potentially available from channel improvement. These other sources include on-site materials such as approximately 3 Mcy from construction and maintenance of associated berths at Parcel 3 (.4 Mcy from construction, 2.6 Mcy from maintenance) and approximately .5 Mcy from re-grading of Parcel 3.[5] Other available sources of fill include materials excavated in conjunction with proposed highway improvements (e.g., widening I-5 between Main St. and 134th, and extension of Padden Expressway), utility trenching projects, Washington Department of Fish and Wildlife restoration projects, and berth maintenance dredging by the Port of Vancouver and other local ports (e.g., Port of Skamania).

Third, any potential construction cost savings associated with using channel improvement material for fill are minor in comparison to the cost of the overall project. The economic analysis of the project prepared as part of the master planning process calculated that total construction costs for the Port's Gateway development are approximately $188 million.[6] Cost savings from using channel improvement dredge material for fill were estimated to be approximately $2 per cubic yard.[7] The $2 per cubic yard cost differential overestimates the actual cost differential because it only considers the cost of moving channel improvement sand into place from the disposal site, and does not include the incremental costs which the Corps will assess for disposing of the materials at the Gateway disposal site.[8] Assuming that the full 5 Mcy discussed in 1998 were available, and assuming the full $2 cost differential, the cost savings associated with using channel improvement dredged materials represents a maximum potential cost savings of approximately $10 million, which is only approximately 5% of the $188 million total project cost. Given the revised data from the FEIS on the significantly lower quantity of material available from channel improvement (2.8 Mcy over 20 years), and given an actual cost differential of less than $2, use of channel improvement materials, if available, would represent a

---

4 The Corps has indicated that, for the 10 miles of the river (River mile 95-105) that would be disposed of at West Hayden Island, Gateway and the Fazio sites, the volume of dredged material from construction of the project has dropped from a little over 2 million cubic yards of sand (as estimated in FEIS) to approximately 1.3 million cubic yards of sand.

5 *Columbia Gateway Master Plan, Task 14, Fill Sources and Costs.*

6 *Columbia Gateway Master Plan, Task 16, Preliminary Financial Evaluation of Columbia Gateway Preferred Alternative* (copy attached) at i.

7 *Columbia Gateway Master Plan, Task 14, Fill Sources and Costs.*

8 *Columbia Gateway Master Plan, Task 16, Preliminary Financial Evaluation of Columbia Gateway Preferred Alternative* at 6.

maximum cost savings of approximately $5.6 million, or less than 3% of total project costs. In either case, the potential cost savings from using channel improvement materials for fill likely represents an insignificant fraction of total costs.

Accordingly, while channel dredge material represents one potential source of cost-effective fill for implementing Gateway development, it is by no means the only source. Other sources of fill are available in sufficient quantities and at acceptable costs to accomplish the Port's development objectives.

In conclusion, the Port would like to reiterate that its Columbia Gateway development project is dependent on regional market conditions and will proceed regardless of whether channel improvement occurs and regardless of whether channel improvement dredge material is disposed of at the Corps' Gateway disposal site. The Port's development of the Gateway property is independent of the Corps' channel improvement project, and is not a part of, response to or dependent on channel improvement. Finally, developing the Port's property for future marine and industrial use is consistent with the Port's mission and would provide benefits to the Port and the region whether or not channel improvement occurs.

On another matter, the Port would like to reiterate that it, if channel improvement is completed, the Port anticipates, in the near term, deepening berths at its existing United Grain terminal. This berth deepening is addressed in the FEIS (Section 6.9) and in the Biological Assessment (Section 3.3.2), and we understand that it is being addressed in the Corps' ongoing consultation for the channel improvement project.

Finally, we wanted to mention several other Port maintenance and development projects that are planned or underway but that are unrelated to channel improvement. The first is expansion of the dock at Terminal 2, which has been permitted, including ESA consultation, and should be completed early next year. The second is maintenance work at Terminal 3, which consists mostly of asphalt, rail and warehouse repairs and upgrades, and for which permitting has just begun. Finally, the Port has recently prepared properties on Parcel 1A, which is more than _ mile from the Columbia River, for lease as industrial property. Any further improvements to these properties will depend on securing appropriate tenants. None of these current or planned developments are part of or dependent upon channel improvement.

We trust that the above information answers any questions the Corps may have, but please feel free to contact me if you need any further information.

Sincerely,

PORT OF VANCOUVER USA

Lawrance L. Paulson
Executive Director

LLP:nb

4

Enclosure 3

Attachment 1
Report to Clark County on Current Industrial Land Inventory

Potential Development of Gateway Property – Updated Information
Letter to Corps
April 3, 2002

Enclosure 3

5

Devoted to Job Creation and Investment in Clark County

Report to Clark County On Current Industrial Land Inventory

Including Recommendations for Sustaining Economic Vitality

Directed by

CREDC Industrial Land Committee

Co-Chairs: Bill Connelly, Eric Fuller & Associates
Eric Hovee, E.D. Hovee & Company

Chairman of the CREDC Board: Bill Dudley, Landerholm Law Firm

Prepared by: Pam Neal, CREDC Business Information and Marketing Specialist

COLUMBIA RIVER ECONOMIC DEVELOPMENT COUNCIL

100 E Columbia Way
Vancouver WA 98661
(360) 694-5006
www.credc.org

November, 2000

Enclosure 3

6

CREDC Industrial Lands Committee

Co-Chair: Bill Connelly, Vice President
Eric Fuller & Associates

Co-Chair: Eric Hovee, President
E.D. Hovee & Company

Pam Neal, Business Information and Marketing Specialist
CREDC

Bart Phillips, President
CREDC

Jerry Olson, President
Olson Engineering

Mark Fleischauer, Vice President
The Kelly Group

Randy Reuter, Sales Associate
Norris Beggs & Simpson

Bryan Halbert, Vice President
Schlecht Construction

Tom Bradley, Commissioner
Port of Vancouver

Doug Nichols, Senior Associate
OTAK

Doug Quinn, Public Works Director
City of Camas

Assistance was also provided by:

Dan MacKay, Co-Owner, MacKay & MacDonald
Martin Snell, Planning Manager, City of Camas
Dan Bauer, GIS Analyst, Clark County
Monte Anderson, Planning Director, City of Washougal
Eric Holmes, Planning Director, City of Battle Ground
Mark Feichtinger, Managing Partner, Stoel Rives LLP
Larry Paulson, Executive Director, Port of Vancouver

Enclosure 3

7

Report to Clark County
On
Current Industrial Land Inventory

Executive Summary

> *"The county and the municipalities will provide for orderly long-term commercial and industrial growth and an adequate supply of land suitable for compatible commercial and industrial development."* Clark County Community Framework Plan Policy

The purpose of this report is to support Clark County's five-year review of the Clark County Comprehensive Plan. Specifically, the Industrial Lands Committee of the Columbia River Economic Development Council has reviewed the available inventory of industrial lands, absorption and development trends, development constraints on the inventory and employment projections that impact future demand and absorption. The Committee presents its findings and makes recommendations on actions the County should consider to support continued industrial development and the economic vitality of the region.

The Committee finds that the inventory of designated prime industrial land is significantly deficient as compared to the inventory required to support projected industrial development and job creation over the next twenty years. In fact, if absorption trends continue and the majority of development occurs on currently designated prime lands with no net increase in new prime lands, the current inventory could be depleted by 2005.

The distribution of prime industrial lands is not uniform throughout the region. This disparity will impact jurisdictions seeking to increase their tax base to support the provision of public services to their residents.

The County remains deficient in the number of contiguous and/or large parcels of industrial land to support major users or planned industrial developments. This impacts the County's ability to retain and attract significant industrial employers to the region.

There remains a relatively large inventory of secondary industrial properties that have significant barriers to development. Unless there are proactive steps to address these constraints such as infrastructure development or removing wetland constraints, industrial development will be constrained.

The tertiary land inventory should be evaluated parcel by parcel to determine the likelihood of future development. The tertiary inventory may give a false impression

8

Enclosure 3

concerning the status of available industrial lands and may lull the County into a false sense of security concerning the adequacy of the inventory.

Industrially designated properties continue to be converted to non-industrial uses reducing the inventory and the ability to locate industrial uses.

The CREDC makes the following recommendations to the County based upon our findings:

1. The County must designate additional prime industrial lands within the County sufficient to accommodate projected industrial demand. The CREDC reiterates its 1994 recommendation that a minimum of 3,000 acres of prime industrial lands be designated.
2. When designating additional prime lands, the County should take into consideration the spatial distribution of designated lands to allow for the creation of a sufficient tax base to support public services within all jurisdictions within the County.
3. The County must move aggressively to remove development constraints from secondary industrial lands through the provision of infrastructure, wetland mitigation and other techniques.
4. The County must continue to enforce a "no net loss" policy on the conversion of industrial designated parcels to non-industrial uses.
5. The County should evaluate tertiary properties in the inventory of industrial lands and determine whether there is a reasonable opportunity for these lands to be converted to industrial use. If limitations are deemed to be too severe to be overcome, they should be eliminated from the inventory.

The CREDC is pleased to present the following analysis and will work with the County to meet the industrial development and employment requirements necessary to maintain the economic vitality of Clark County.

Report to Clark County
On
Current Industrial Land Inventory

Table of Contents

CURRENT INDUSTRIAL LAND INVENTORY 3

EXECUTIVE SUMMARY 3

TABLE OF CONTENTS 5

PROCESS 6

INDUSTRIAL LAND SUPPLY 6

SIZE/LEASE 8

INVENTORY OF SECONDARY LANDS 8

INVENTORY OF TERTIARY LANDS 9

INDUSTRIAL LAND DEMAND 9

ACRES REQUIRED TO ACCOMMODATE INDUSTRIAL GROWTH 11

ABSORPTION TRENDS 12

INDUSTRIAL LAND POLICY 13

SUMMARY/RECOMMENDATIONS 14

CLOSING 16

Report to Clark County
On
Current Industrial Land Inventory

Process

The availability of readily developable industrial land supports the creation of new jobs and creates an expanded tax base for the citizens of Clark County. The Columbia River Economic Development Council's Industrial Land Committee reviewed Clark County's industrial land supply in conjunction with the five-year update of the Clark County Comprehensive Plan. The Committee reviewed July, 2000 data files and maps developed by the GIS division of the Clark County Assessor's Office. Based upon the knowledge of the Committee, the maps and data files were reviewed parcel by parcel for accuracy. The Committee used the definitions promulgated by the County Assessor's office (Appendix A). Discrepancies were noted and forwarded to the County for review (Appendix B).

The Committee recommends a more realistic approach to determine the true inventory of available industrial lands. This approach is used in this analysis. Previous industrial land studies by the CREDC and the County's GIS system identified lands that were vacant but, realistically, not likely to be available for development over the 20 year planning horizon. Specifically, these lands are publicly owned and held by schools, government and others to accommodate future population growth. Clark County's definition of buildable land states that land cannot be intended for public use. This data is hard to track using Clark County's definition of vacant versus not vacant. (GIS does not classify a piece of property as "industrial not vacant" until the tax assessor's rolls reflect a structure valued at $67,500 or more.) The CREDC has tried to mitigate this definitional issue and has also factored in planned developments that will take several prime parcels off the market within the next year. These lands have been eliminated from the inventory, as they are not available for future industrial development.

Industrial Land Supply

The CREDC Industrial Lands Policy in 1994 demonstrated the need for 3,000 net acres of prime industrial land for an adequate 20-year supply.

Based on Clark County's criteria of "prime", we found that Clark County currently has 903 gross acres of prime industrial land available. After eliminating planned developments and publicly owned parcels (with the exception of the Port Districts), we find an inventory of 807 acres of prime industrial lands within the county. We will use the 807-acreage total in analyzing the buildable inventory in this report.

In addition to the conformance to the County's definition, it should be noted that the prime land available today has restrictions to businesses looking to locate. Some of these issues are location, size and sale vs. lease. These factors affect the marketability and development of prime industrial land.

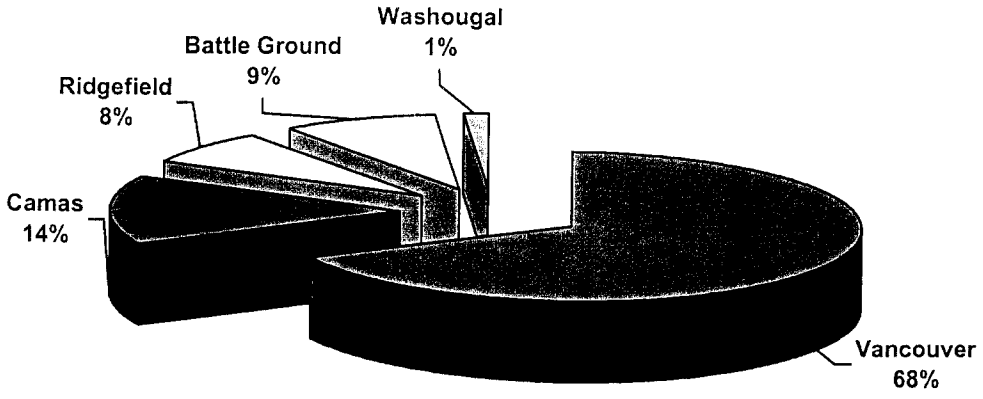
Estimates of Prime Industrial Land	Prime Inventory
Clark County GIS inventory – July, 2000	2,537 acres
Clark County GIS inventory based on CREDC committee review	903 acres
CREDC inventory after eliminating planned developments and public ownership parcels	807 acres

Location

The spatial distribution of the prime inventory is not uniform. Certain jurisdictions have very little prime land available for current development. An example is Washougal with twelve acres of prime land available. This distribution affects the ability of jurisdictions to expand their tax base through the location of industrial development. The following chart provides a breakdown of prime acres currently available by Urban Growth Area.

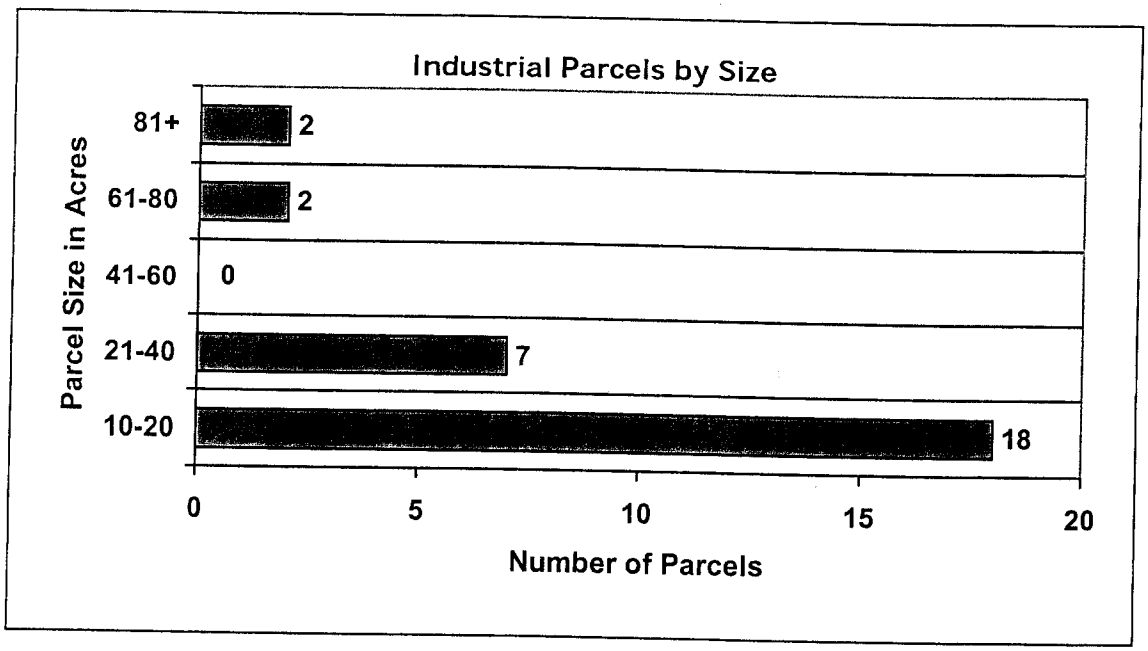
Prime Inventory by UGA	# of Parcels	Total Acres	% of Total Prime Acres
Vancouver	18	548	68%
Camas	4	117	14%
Battle Ground	4	69	9%
Ridgefield	2	61	8%
Washougal	1	12	1%
Total	29	807	100%

Prime Industrial Acreage Available by Jurisdiction



Size/Lease

The industrial land supply should include a range of sizes to meet the demands of a variety of users. Fifty-seven percent of the prime inventory is in parcels smaller than 40 acres. Clark County has a limited number of large parcels remaining. The county has remaining only four parcels over 40 acres that are classified as prime. Two of the parcels, a total of 140 acres, are owned by the Keller Trust, located on Fourth Plain Boulevard/Ward Road, and are currently being master-planned by the Birtcher Commercial Development Group. One parcel, 85 acres, is located at the Port of Vancouver, and one, 120 acres, is at the Columbia Tech Center located off of SE 164th Avenue. All are located within the Vancouver UGA and the larger two are available under lease terms only. The remaining 462 acres of prime are small and scattered. One-third of the 462 acres are available for lease only. There are no remaining parcels over 200 acres, a prime goal of the 1994 GMA plan to accommodate large high tech firms (e.g. WaferTech).



Inventory of Secondary Lands

The CREDC identified 1,717 acres of secondary lands. Secondary lands are those with restraints to development including lack of infrastructure, presence of critical lands and others. The majority of secondary land is within the City of Vancouver UGA with a total of 1,070 acres. The Port of Vancouver owns 993 acres of the 1,071 located in Vancouver. This property is known as the Gateway Project and will be lease only when master planned. The remaining acreage located in the Vancouver UGA is the parcel referred to as the Defenbaugh property, which totals 78 acres. This land is secondary due to the presence of wetlands.

Wetlands and slope limit the secondary lands located in Camas. Battle Ground has one parcel, totaling 61 acres that is designated secondary due to wetlands. The remaining acreage, 133 acres, is located in Ridgefield (90 acres), Washougal (33 acres), and Yacolt (10 acres). Most of these parcels are listed as secondary because they are under the 10-acre parcel threshold for the prime classification.

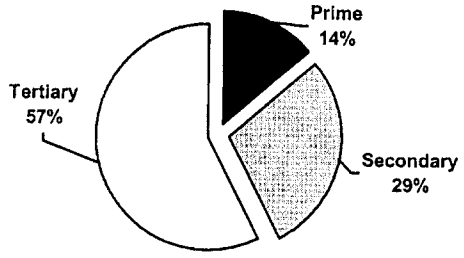
Secondary Inventory by UGA	# of Parcels	Total Acres	% of Total Secondary Acres
Vancouver	10	1,070	62%
Camas	11	452	26%
Ridgefield	4	90	5%
Battle Ground	1	61	4%
Washougal	4	33	2%
Yacolt	1	10	1%
Total	31	1,717	100%

Inventory of Tertiary Lands

The majority of remaining vacant industrial land in Clark County is classified as tertiary lands. In the CREDC's opinion, the majority of tertiary lands may not be developable due to the severe constraints such as wetlands and steep slopes. The inventory shows Clark County has a total acreage of 3,428 acres of tertiary lands available, or 58 percent of the total vacant lands inventory.

Total Vacant Acres by Classification

The total vacant industrial land within the Clark County UGA totals 5,952.



Industrial Land Demand

Population Forecast

In 1994, the Washington State Office of Financial Management (OFM) projected Clark County would have a population base of 364,000 by the year 2013. Clark County's current population in 2000 is 345,000. Clark County's population has grown by an annual average of 3.7 percent from 1995 – 2000. OFM's revised medium population forecast projected to April 2022 will be 515,559. Population projections may be adjusted based on the official census data scheduled to be released in late 2001 or early 2002.

The rapidly increasing population base places a major demand on Clark County to create and accommodate enough jobs to support this growth. Since 1995, the county has only added approximately 13,000 new jobs compared with 54,000 new residents – a ratio of only one job for every four new residents.

Employment Forecast and Demand

The employment forecast and demand is driven by the revised OFM medium population forecast projected to April 1, 2022. The following table shows Washington State Employment Security's estimate of net new jobs projected to be in the Clark County workforce in the year 2022.

Labor Force Forecast	2000	2022	Change 2000 to 2022	% Change 2000 to 2022
Labor Force	183,330	272,408	89,078	49%
Employed Residents	175,080	258,788	83,708	48%
Unemployed	8,250	13,620	5,371	65%
Unemployment Rate	4.5%	5.0%		
Total Non-Farm Employment	116,516	182,577	66,061	57%
Manufacturing	19,094	23,702	4,608	24%
Construction & Mining	10,309	10,042	-267	-3%
Transportation & Utilities	6,864	11,805	4,941	72%
Wholesale Trade	5,296	10,804	5,508	104%
Retail Trade	22,657	39,423	16,766	74%
Finance, Insurance & Real Estate	4,814	8,174	3,360	70%
Services	27,854	51,634	23,780	85%
Government	19,479	27,007	7,528	39%

It is projected that approximately 66,000 jobs will be added to the Clark County economy between 2000 - 2022. This forecast does not include the current estimated 60,000 Clark County residents commuting to Oregon to work. If we are successful at increasing the number of residents working in Clark County, our employment numbers could be higher. In addition, the forecast assumes that the Clark County residents commuting to Oregon to work will eventually level off at about 70,000 due to traffic congestion.

Job Growth Accommodated Within Industrial Lands	Percent Industrial	Job Growth 2000 - 2022
Manufacturing	100%	4,608
Construction & Mining	100%	-267
Transportation & Utilities	100%	4,941
Wholesale Trade	100%	5,508
Business Services	50%[1]	11,890
Total		26,680

Acres Required to Accommodate Industrial Growth

On the basis of employment forecasts it is estimated that Clark County's twenty-year industrial land demand will range from 4,446 to 10,005 net acres or approximately 202 to 455 net acres per year depending on the employment density. The average absorption is approximately 5,000 acres or 225 acres per year.

In 1994, the CREDC, in conjunction with the Washington State Department of Employment Security, completed an inventory of industrial employers to estimate industrial land employment densities. The survey revealed that Clark County's industrial densities average between 2 and 13 employees per acre with an average ratio of 8.

The current comprehensive plan assumes an average employment density of 9 employees per acres. However, the observed ratio is far less. In 1998, the CREDC Industrial Land Committee tracked jobs created by the absorption of industrial property from 1994 – 1997. Including the statistical impact of the WaferTech development, the countywide industrial land absorption was approximately 220 acres per year, which created approximately 978 jobs per year on these sites. This resulted in 4.4 jobs created per gross acre absorbed.

With the WaferTech development removed from the analysis for the City of Camas, the estimate changed to 163 jobs created per year and nearly 5.8 jobs per gross acre absorbed, and for the county as a whole, 878 jobs created per year at nearly 5 jobs per gross acre. The Vancouver estimate was 7 jobs created per gross acre absorbed.

Employment Density Factors	2000-2022	2000-2022	2000-2022
Industrial Employment	26,680	26,680	26,680
Employment Density	4 jobs per acre	8 jobs per acre	9 jobs per acre [3]
Developable Industrial Land Need	6,670 gross acres	3,335 gross acres	2,964 gross acres
Market Factor- 50%[2]	3,335 acres	1,667 acres	1,482 acres
Total Industrial Land Demand	10,005 net acres	5,002 net acres	4,446 net acres

Enclosure 3

16

Continuing to use planning ratios far in excess of empirical densities will underestimate the inventory of industrial land required for continued economic vitality. Densities result from market driven and industry specific requirements. Densities cannot be driven through planning goals or targets. It is therefore necessary to use observed, not goal driven densities when planning for industrial lands.

Absorption Trends

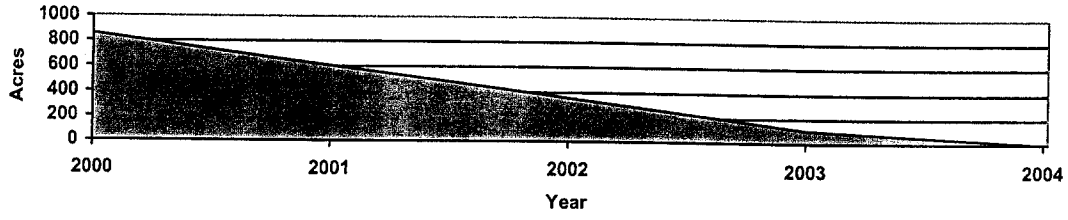
In 1994, the CREDC projected absorption of 125-135 gross acres per year, which includes 10 percent absorption for wetlands, and 25 percent for infrastructure. This figure is prior to adding the 50 percent market factor. The adopted GMA Planning Figure is 150 net acres per year and includes a 50 percent market factor.[2] By comparison; both the CREDC and GMA target translate to approximately 200 net acres per year.

Absorption Trends	Annual Absorption
CREDC Projection (1994)	200
Adopted GMA	200
CREDC Study (1994-1997)	220
County GIS Inventory (1994 – 2000)	400
County GIS Inventory (1994 – 2000) adjusted for Camas Meadows	280

From 1994 to 1997 the CREDC reported that the countywide absorption rate for all industrial land classifications was 660 net acres or 220 net acres per year. Because the report only focused on parcels larger than 5 acres, the number absorbed for all parcel sizes would be slightly higher. Even so, this level of absorption is significantly higher than planning projections in 1994.

From 1994 to 2000 our countywide GIS inventory has fallen from a total vacant inventory of 8,000 acres in 1995 to approximately 6,000 acres in 2000. Total acreage absorbed from the industrial inventory within the five years was 2,000 or 400 acres of industrial land per year. Camas Meadows Business Park added 600 acres to our industrial inventory in 1998. The total industrial land absorbed using this technique would be 1,400 net acres, or 280 net acres per year.

Projected Prime Supply Based on Recent Absorption Rates



Enclosure 3

17

Industrial Land Policy

In 1994 the CREDC adopted the following industrial land policy:

> *"Encourage the identification of prime and marginal (secondary) properties (according to TAC committee adopted methodology) 50 acres or larger to be so designated. This would apply to sites already comprehensively planned industrial, as well as those having high suitability (e.g. major freeway access) for future industrial development. The CREDC further recommends that a no net loss policy similar to that of wetlands be adopted for the county. Additionally, it is recommended that the CREDC board testify against the taking of prime industrial land, especially those parcels of 50 acres or larger, or smaller parcels of special significance out of the inventory"*

In 1994, the CREDC recommended the following Industrial Land Coordinating policies to the Growth Management Advisory Steering Committee.

1. The County and municipalities shall target the designation of 3,000 acres of vacant prime or potentially prime industrial land within the Urban Growth Areas of the County. No more than 25% of that prime land should be in noncontiguous parcels less than 20 acres in size. Noncontiguous prime parcels less than 20 acres in size will be planned for above average site coverage ratios to encourage development.

   Current Status: In 2000, the current inventory of vacant prime is 807 acres within the Urban Growth Area. 29% of the prime inventory is in parcels less than 20 acres in size.

2. Within the designation of prime industrial lands, a target of designating at least two 200-acre or greater sites close to or abutting I-5 or I-205, shall be pursued to allow for large employers to site in the County.

   Current Status: No prime industrial land is available over 200 acres in size.

3. The county and municipalities shall develop policies to maintain a suitable 10-year supply of prime industrial land at all times based on average absorption rates of the last five years plus a market factor.

   Current Status: Current absorption trends show Clark County absorbing between 220 – 280 net acres per year since 1994. If Clark County continues to absorb 250 net acres per year, the prime industrial inventory could be depleted 5 years. Our current prime vacant inventory is 807 acres.

Summary/Recommendations

> *"The county and the municipalities will provide for orderly long-term commercial and industrial growth and an adequate supply of land suitable for compatible commercial and industrial development."* Clark County Community Framework Plan Policy

Clark County's industrial land inventory appears to be insufficient to meet the employment requirements necessitated by the population growth projected for the next five years, let alone the next twenty years. The relatively moderate current supply has impacts on the CREDC's ability to site companies looking to invest in Clark County. Often times we are not able to satisfy recruitment and expansion requirements of our clients because of constraints on our current inventory. Companies and jobs are siting elsewhere in the region where land is in greater supply (for example Cowlitz County). An adequate inventory is necessary to achieve competitiveness with our neighbors, offer customer choice, create an adequate inventory upon which to grow meaningful employment and offer more jobs locally for Clark County residents to reduce outcommuting.

The CREDC recommends that the County take the following steps to ensure an adequate inventory of prime and developable industrial lands.

I. Designate Sufficient Amount of Buildable Lands for Industry

Continue to target the designation of 3,000 acres of vacant prime or potentially prime industrial land within the Urban Growth Areas of the County. We currently have 807 prime acres available today. That leaves a deficit of more than 2,000 acres for the next twenty years. Under current development trends the County could use the remaining prime inventory within 4 years. The County should identify various industrial land classifications in our industrial reserves. The industrial reserve should have a large concentration of land that is convertible to prime. When considering which lands to include, the following should be taken under consideration:

- Parcel Size – Identify parcels over 50 acres, and 1-2 parcels of 200+ acres
- Transportation – Identify parcels close to or abutting I-5 or I-205
- Jurisdictions – Expand the industrial tax base throughout the county

II. Remove Development Constraints on Secondary Lands

Clark County must encourage and facilitate public and/or private efforts to remove the development constraints on secondary industrial land. As prime industrial land is absorbed, industrial job growth will hinge on the ability of secondary lands to accommodate our industrial land demands. If remaining prime lands are developed and secondary lands cannot accommodate future industrial jobs, there will be both primary and secondary impacts.[5]

III. Review Inventory of Tertiary Lands

Tertiary lands contain between 50 percent to 100 percent critical lands. Critical lands are wetlands, sensitive fish and wildlife habitat areas, critical recharge areas for groundwater aquifers, flood prone areas, and geological hazardous areas such as landslide areas, earthquake fault zones and steep slopes.

Clark County's definition of buildable land states,

> *"Land cannot be constrained by critical areas in a way that limits development potential and makes new construction on a parcel unfeasible".*

Our inventory of tertiary land should be re-evaluated to determine if it is possible for these parcels to be developed in the future. If not, we recommend that they be removed from the buildable industrial land inventory. Recently, we have watched developers purchase large tracts of tertiary lands, which are typically associated with prime or secondary lands. The tertiary property can function as open, campus like environments and therefore have a meaningful use without adding jobs. An example of this would be the WaferTech site, the Keller property planned development and the new acquisition at the Ridgefield Junction. Nevertheless, our inventory contains tertiary land that so severely constrained that it will never be developed. Retaining this property in the inventory gives a false impression as to the available inventory. The inventory of tertiary lands must be reviewed and severely constrained properties removed from the inventory.

IV. Designate Additional Industrial for Jurisdictions with Marginal Prime Land Remaining.

> *A UGA expansion of industrial lands may occur if fifty percent (50%) or more of the vacant and buildable prime industrial land base originally designated within the incorporated and unincorporated areas of the particular UGA at the time of the last suballocation, including additions through any subsequent expansion, has been consumed through development. Clark County Code 18.610.110*

A sufficient amount of industrial land in each jurisdiction is required to support job growth resulting from growth in population. Industrial land throughout the county is required to expand the tax base of various taxing jurisdictions. Certain UGA's within the county have developed over 50% of the available prime land that existed in 1994. Washougal had 58 acres of prime land in 1994. In 2000, only 12 acres of prime land remains for industry. This is a 79% reduction from 1994 to 2000. Camas has absorbed 61% of the inventory counted in 1994. The inventory in 1994 was 301 acres; today there are 117 acres of prime industrial land remaining in Camas.

According to the Clark County Assessor's office, the total assessed value and assessed value per acre for each property description found in industrial space is

indicative of taxes paid. Clark County's industrial users have higher assessed value per acre than commercial or residential users. The more industrial users within a taxing jurisdiction the less tax burden on homeowners, schools etc. in those areas. We must maintain a relative balance of commercial, residential and industrial in each taxing jurisdiction and within the region.

V. **Continue to Enforce a "No Net Loss Policy" for Industrial Land.**
Industrial land continues to be absorbed for uses other than for industry supporting the creation of family wage jobs. In the last five years industrial land has been absorbed for uses such as parks, schools, churches, commercial uses, etc. CREDC first adopted a no net loss policy of industrial land as recommended by the CREDC Industrial Lands Committee on May 17, 1993. This policy was adopted into the growth management plan. The County must do a better job of enforcing this policy. In 1997, the CREDC counted over 83 acres, most of which was classified as secondary or tertiary, that was converted or absorbed for purposes other than industrial uses since 1994. From 1998 to 2000, the CREDC continued to see our inventory of industrial land rezoned to other uses. In Camas, over 105 industrial zoned acres has been rezoned for parks and open space. In Vancouver, 85 acres was rezoned to parks and open space. In Washougal, 66 acres was rezoned to commercial.

Closing

The availability of an adequate supply of industrial land is one of the most important factors supporting Clark County's ability to create the quality of life envisioned by the Clark County Comprehensive Plan. The challenges the CREDC has identified are large, but surmountable with thoughtful planning and leadership.

The CREDC is pleased to present the analysis and will work with the County to meet the industrial development and employment requirements necessary to maintain the economic vitality of Clark County.

Footnote/ References

[1] Assumes that up to 50 percent of the future business services, such as computer and data processing services, telecommunication operations and other quasi-industrial businesses will locate on industrial land. Business services account for an 11,890 increase in employment from 2000-2022.

[2] Market Factor- 50% was in the Comprehensive Plan in 1994. The market factor has a number of functions:

a. To offer sufficient acreage or alternatives to allow competition in price.
b. To accommodate the possibility that some owners will not be willing to sell, and may only be willing to sell, and may only be willing to lease their land.
c. To allow a sufficient mix of properties to account for differences in growth rates among the various sectors of industries and consequently different density figures by industry type.

[3] Employment Density – Average density of 9 employees per acre was adopted in the Comprehensive Plan in 1994.

This report uses the population projection for the "medium" series forecast. OFM states that it is the most likely growth scenario if we continue to follow the trend of the 1995 "High" series.

5 The indirect impact will be evidenced by lost secondary jobs in support industries, services and other sectors. The industrial job impacts are typically 2.5 times the direct industrial job impacts. Other impacts will be a reduction in quality jobs with family wages. Hence, household income levels and housing affordability will be negatively impacted.

Appendix A

Industrial Land Classifications

Vacant:	Building value less than $67,500
Critical Lands:	Includes wetlands, sensitive fish and wildlife habitat areas, critical recharge areas for groundwater aquifers, flood prone areas, and geological hazardous areas such as landslide areas, earthquake fault zones and steep slopes.
Primary:	Within 500 feet of existing sewer. Less than 10% critical lands. At least 10-acre parcel size
Secondary:	Does not meet one or more criteria for primary. Between 10% and 50% critical lands. At least 5-acre parcel size
Tertiary:	Does not meet one or more criteria for primary. Up to 100% Critical Lands
Planning Override:	Industrial parcel which was excluded from the vacant, buildable pool due to pending developments.
Industrial Reserve:	Parcels which are classified as Industrial Reserve in Clark County Comprehensive plan.
Industrial Not Vacant:	Industrial parcels which are not vacant.
Not Industrial:	Parcels which are not designated as industrial.

24

Appendix B

Industrial Land Changes

UGA	Reference #	Serial #	Total Acres	Owner	Change	Reason
Ridgefield	42	214066000	13.32	Pacific Detroit Diesel	Prime to Built	Pacific Detroit Diesel – Planned Development
Ridgefield	67	215607000	39.90		Prime to Secondary	More than 10% wetlands
Battle Ground	15	91058003	60.80	Achen, Mike	Primary to Secondary	More than 10% wetlands
Battle Ground	28	192148000	29.52	Achen, Mike	5 acres – Prime to Built	Development under construction
Camas	3	83003000	21.66		Primary to Secondary	Buffering, Setbacks
Camas	5	84150000	13.23		Primary to Secondary	Buffering, Setbacks
Camas	19	89932000	18.25	City of Camas	Primary to Delete	Rezoned: P/OS, City Greenway
Camas	21	90910000	21.71	City of Camas	Primary to Delete	Rezoned: P/OS, City Greenway
Camas	24	91045003	11.39	City of Camas	Primary to Delete	Rezoned: P/OS, City Park
Camas	28	124980000	13.11		Primary to Delete	Rezoned: Industrial to Commercial
Camas	29	125185000	5.2		Tertiary to Secondary	
Camas	30	125186000	22.44	MacKay & MacDonald	Secondary to Prime	
Camas	31	125187000	23.66		Primary to Tertiary	Wetlands
Camas	32	125188000	76.39		Primary to Secondary	Wetlands

Enclosure 3

25

Camas	34	125191000	7.51		Tertiary to Secondary	
Camas	36	125193000	7.46		Tertiary to Secondary	
Camas	42	125200000	3.24	Furuno	Tertiary to Built	Furuno
Camas	44	125202000	4.13	BRUZZONE 4TH ST LLC	Tertiary to Built	
Camas	46	125204000	2.91	IMT	Tertiary to Built	IMT
Camas	47	125205000	1.34	IMT	Tertiary to Built	IMT
Camas	49	125207000	3.75	Hereaus	Tertiary to Built	Hereaus
Camas	50	125408000	11.50	City of Camas	Prime to Delete	Rezoned: P/OS, Wetland Mitigation
Camas	51	125599000	12.16		Prime to Tertiary	Wetlands
Camas	52	125623000	9.04		Tertiary to Secondary	Less than 50% wetlands
Camas	53	125627000	7.19	Hereaus	Tertiary to Built	Hereaus
Camas	56	126040000	14.55		Primary to Secondary	
Camas	59	126243000	30.51		Primary to Tertiary	Wetlands
Camas	61	126252000	24.37		Primary to Tertiary	Wetlands
Camas	68	172955000	39.72		Secondary to Prime	
Camas	74	172963000	17.96		Tertiary to Secondary	
Camas	75	172964000	4.25		Tertiary to Secondary	

Enclosure 3

Camas	77	172967000	81.50	Lake Development	Tertiary to Built	Camas Meadows Golf Course
Camas	83	175934000	15.57		Tertiary to Prime	
Camas	91	175948000	52.3	Chinook Landowners	No Change	May be 100 year deed on property that limits future development
Camas	103	176155000	39.59		Tertiary to Prime	
Camas	164	177671005	13.91	City of Camas	Prime to Delete	Rezoned: P/OS, City Park
Camas	166	177674000	32.88		Prime to Secondary	Slope, wetlands
Camas	167	177674005	2.85	City of Camas	Tertiary to Delete	Fire Station
Camas	168	177678000	46.02		Prime to Secondary	
Camas	171	177696000	28.54	City of Camas	Prime to Delete	Rezoned: P/OS, Wetland Mitigation
Camas	105	176161000	27.7		Tertiary to Secondary	
Vancouver	6	12455001	19.98	Bonneville Power	Primary to Built	
Vancouver	9	12456017	12.13	Bonneville Power	Primary to Built	
Vancouver	21	29482000	10.24		Primary to Tertiary	Slope, wetlands
Vancouver	57	58657000	49.18	Port of Vancouver	Primary to Built	
Vancouver	60	59115010	27.27	Port of Vancouver	Primary to Built	
Vancouver	61	59115020	8.84	Port of Vancouver	Tertiary to Built	
Vancouver	63	59115030	10.23	Port of Vancouver	Primary to Built	

Vancouver	67	59115054	10.6	Port of Vancouver	Primary to Built	
Vancouver	68	59115060	6.36	Port of Vancouver	Tertiary to Built	
Vancouver	78	105740000	21.89	Northpark Industrial Center	Prime to Built	
Vancouver	79	106077000	7.98	Northpark Industrial Center	Tertiary to Built	
Vancouver	80	106080000	8.64	Northpark Industrial Center	Tertiary to Built	
Vancouver	81	106083000	10.89	Northpark Industrial Center	Tertiary to Built	
Vancouver	122	122179005	19.46	C-Tran	Prime to Built	
Vancouver	131	144527000	17.97		Prime to Secondary	Wetlands, groundwater contamination,
Vancouver	132	145242000	14.5		Prime to delete	Residential, map error
Vancouver	137	147358000	33.54		Prime to tertiary	100 yr floodplain
Vancouver	147	149114000	10.93		Prime to tertiary	BPA easement. Can never be built on.
Vancouver	158	152166000	18.67	Port of Vancouver	Tertiary to Built	
Vancouver	159	152167000	84.96	Port of Vancouver	Tertiary to Built	
Vancouver	160	152168000	97.67	Port of Vancouver	Tertiary to Built	
Vancouver	162	152170000	17.81	Port of Vancouver	Tertiary to Built	
Vancouver	166	1523820000	10.26		Prime to Tertiary	100 yr. Floodplain
Vancouver	167	152383000	11.75		Prime to Tertiary	100 yr. Floodplain

Enclosure 3

28

Vancouver	168	152384000	12.73		Prime to Tertiary	100 yr. Floodplain
Vancouver	169	152586000	88.16		Prime to Tertiary	100 yr. Floodplain
Vancouver	180	152905000	16.72	Port of Vancouver	Tertiary to Built	
Vancouver	190	153514000	158.57	Port of Vancouver	Tertiary to Secondary	Gateway Project
Vancouver	191	153515000	248.89	Port of Vancouver	Tertiary to Secondary	Gateway Project
Vancouver	200	154876000	29.91		Prime to Tertiary	Gravel Pit
Vancouver	234	156247000	16.24		Prime to Tertiary	Wetlands
Vancouver	236	156292000	12.36		Prime to Tertiary	Highway Right of Way
Vancouver	239	156502000	10.55		Prime to Tertiary	BPA easement. Can never be built on.
Vancouver	264	159145000	9.83		Tertiary to Prime	Utilities are now in place
Vancouver	265	159146000	9.94		Tertiary to Prime	Utilities are now in place
Vancouver	266	159147000	9.64		Tertiary to Prime	Utilities are now in place
Vancouver	277	162608008	14.89	SEH	Prime to Built	
Vancouver	278	162662000	15.01	SEH	Prime to Built	
Vancouver	361	199843000	21.73		Tertiary to Built	Landfill. Can never be developed.
Vancouver	363	199857000	6.70		Tertiary to Built	Landfill. Can never be developed.
Vancouver	364	199858000	48.19		Tertiary to Built	Landfill. Can never be developed.

Enclosure 3

29

Vancouver	366	199863000	7.18		Tertiary to Built	Landfill. Can never be developed.
Vancouver	368	50201000	9.27	Port of Vancouver	Tertiary to Built	
Vancouver	369	502020000	9.19	Port of Vancouver	Tertiary to Built	
Vancouver	372	503080000	14.75	City of Vancouver	Prime to Delete	Rezoned: Parks/Open Space, City Park
Vancouver	373	503091000	29.6	City of Vancouver	Prime to Delete	Rezoned: Parks/Open Space, City Park
Vancouver	289	165182000	14.53		Prime to Delete	Comp Plan A, Zoning A (Airport)
Vancouver	15	12459048	32.17	BPA	Prime to Built	
Vancouver	199	154671000	13.26		Prime to Built	Airport Runway, Landing Field
Vancouver	6	71078074	41.03		Prime to Delete	Rezoned: Parks/Open Space, National Wildlife Refuge
Vancouver	8	12456016	12.69	BPA	Secondary to Built	BPA easement. Parking lot.
Vancouver	171	152590000	11.16		Secondary to Tertiary	In 100 yr. Floodplain
Washougal	11	71079101	23.75		Prime to Delete	Rezoned: Parks/Open Space, National Wildlife Refuge
Washougal	82	135305000	605.31		Prime to Delete	Rezoned: Parks/Open Space, National Wildlife Refuge
Washougal	80	13117000	13.21		Secondary to Delete	Rezoned to Residential. Gravel Pit to be redeveloped.
Washougal	81	131186000	1.62		Secondary to Delete	Rezoned to Residential. Gravel Pit to be redeveloped.
Washougal	46	71281156	12.42		Prime to Delete	Rezoned to Commercial. Bi-Mart site
Washougal	15	71259000	6.06		Tertiary to delete	Rezoned to Commercial. Bi-Mart site

Enclosure 3

Washougal	17	71281004	27.52	Pendleton	Prime to Delete	Rezoned to MX
Washougal	58	71397000	19.95	Pendleton	Prime to Delete	Rezoned to MX
Washougal	8	71079003	4.84		Secondary to Tertiary	Under the 5 acre requirement
Washougal	9	71079005	2.46		Secondary to Tertiary	Under the 5 acre requirement
Washougal	37	71281146	1.86		Secondary to Tertiary	Under the 5 acre requirement
Washougal	38	71281147	2.37		Secondary to Tertiary	Under the 5 acre requirement
Washougal	42	71281151	3.55		Secondary to Tertiary	Under the 5 acre requirement
Washougal	43	71281152	1.98		Secondary to Tertiary	Under the 5 acre requirement
Washougal	53	71297004	2.08		Secondary to Tertiary	Under the 5 acre requirement
Washougal	54	71297005	1.83		Secondary to Tertiary	Under the 5 acre requirement
Washougal	55	71297007	4.02		Secondary to Tertiary	Under the 5 acre requirement

Enclosure 3

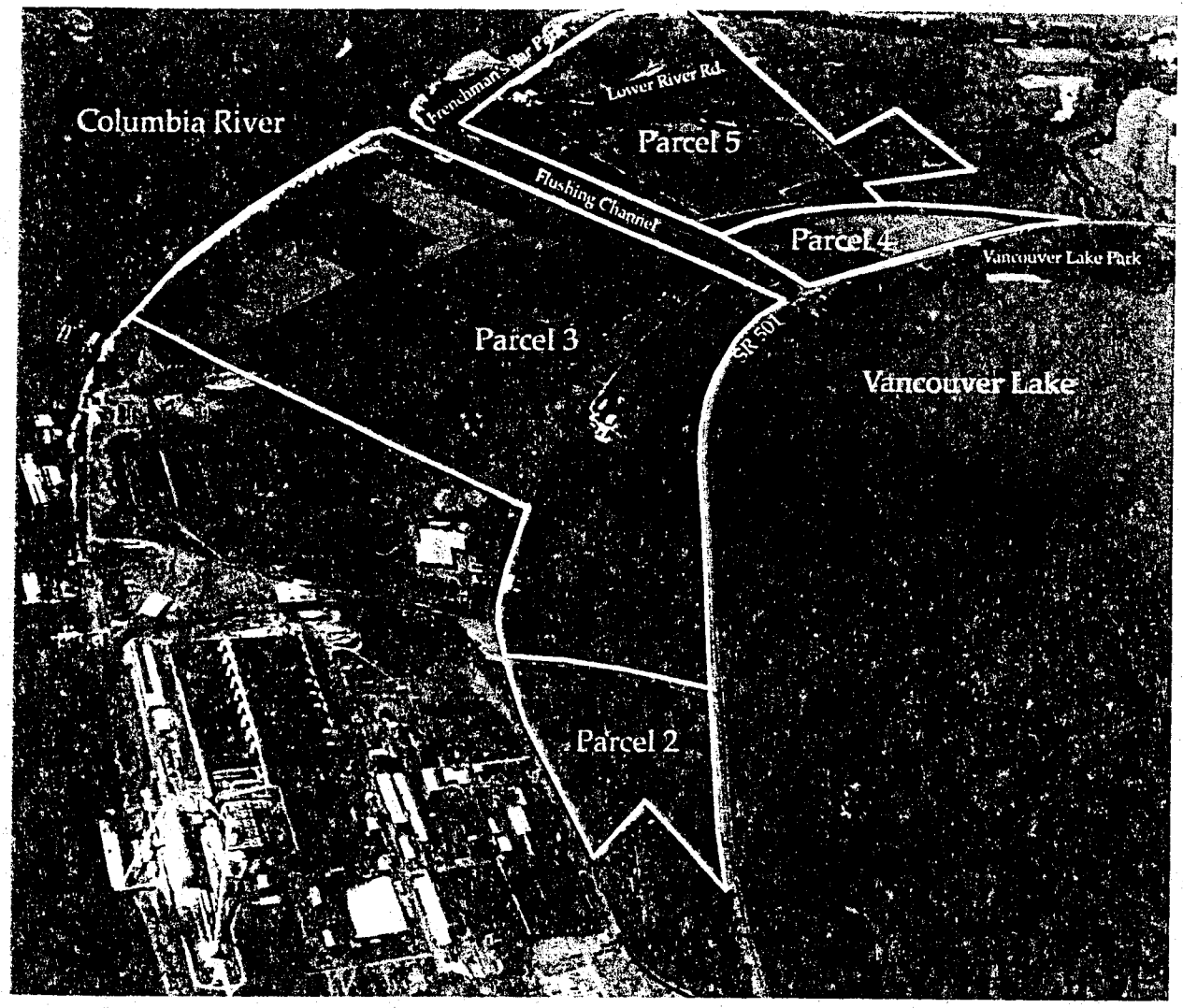
Attachment 2
POV Columbia Gateway Master Plan – March 1998

Potential Development of Gateway Property – Updated Information
Letter to Corps
April 3, 2002

Enclosure 3

Port of Vancouver, USA

Columbia Gateway Master Plan / Subarea Plan



MITCHELL
NELSON

March 1998

Enclosure 3

Columbia Gateway
Preferred Alternative Master Plan

I. Executive Summary 1

II. Project Description 4

III. Goals and Objectives 6

IV. The Planning Process 7

Previous Planning 7
Fieldwork and Public Involvement 8
Agency Coordination 9
Technical Advisory Committee 10

V. Description of the Area 11

Acquisition of the Project Area 11
Location 12
Proximity to Port Facilities 12
Topography 12
Current Uses 13
Surrounding Uses 13
Access 14
Traffic Volumes 15
Infrastructure—Services and Utilities 15
Wetland, Riparian, and Habitat Characteristics 16
Current Zoning and Allowable Uses 17
Geotechnical and Hazardous Waste Issues 17
Historical and Archaeological Resources 18

VI. Public Involvement 19

Approach 19
Mailing List Development 19
Stakeholder Interviews 20
Newsletters 20
Open Houses 21
Summary of Public Comment 23
Themes/Conclusions 28

Enclosure 3

VII. Economic and Market Review and Analysis 30
External Market Scan 30
Internal Market Scan 32
Summary of Strengths and Weaknesses 35

VIII. Preparing for Development: Fill Plans 37
River Frontage and Access 38
Need for a Fill Plan 38

IX. Alternatives 40
Alternative 1 40
Alternative 2 41
Alternative 3 41
Alternative 4 43
Alternative 5 44
Impacts 44

Illustrations

Preferred Alternative
Alternative 1
Alternative 2
Alternative 3
Alternative 4

VII. Developing the Preferred Alternative 47
Ranking the Alternative 47
Selecting a Single Alternative 48
The Preferred Alternative 50
Economic and Financial Evaluation 51

VIII. Next Steps 53
The EIS Process 53
Outcome of the EIS 53
Phasing 54
Scheduling 54
Development Process 55

IX. Future Actions 57

Technical Appendices – Book I

Task 1 *Project Scope*

Exhibit 1 Final Scope of Work
Exhibit 2 Final Project Schedule

Task 2 *Site Tour, Coordination Meetings, Stakeholder Interviews*

Exhibit 1 Interagency Contacts/Meetings
Exhibit 2 TAC and Port Commission Notes
Exhibit 3 Stakeholders Interviews
Exhibit 4 Site Tour

Task 3 *Review Port's 10-12 Year Strategic Plan*

Exhibit 1 Review Historical Perspective of the Port
Exhibit 2 Meet with Port Staff for Project Updates

Task 4 *Investigation and Discovery*

Exhibit 1 Assemble all Currently Available Information, Including Color Aerial Photo and Parcel Map
Exhibit 2 Gather Available Data on Wetlands, Habitat and Wildlife
Exhibit 3 Determine Geotechnical Conditions within Project Area
Exhibit 4 Conduct Hydrographic Survey
Exhibit 5 Review Data on River Depths and Dredging Information
Exhibit 6 Review Information Regarding Vanalco Operation
Exhibit 7 Review Infrastructure Information
Exhibit 8 Review Traffic Information

Task 5 *Determination/Delineation of Wetlands*

Exhibit 1 Natural Resources Baseline Report
(See also Task 6)

Task 6 *Habitat Study*

Exhibit 1 Natural Resources Baseline Report
(See also Task 5)

Task 7 *Economic and Market Analysis Review and Information*

Exhibit 1 Master Plan: Market Analysis

Task 8 *Public Outreach Program*

Exhibit 1 Stakeholder Interviews
Exhibit 2 Newsletter #1
Exhibit 3 Open House #1
Exhibit 4 Newsletter #2
Exhibit 5 Fact Sheet

Technical Appendices – Book II

Task 9 *Develop Screening Criteria and Prioritize Information*

Exhibit 1 Screening Criteria – Individual lists prepared by consultant team
Exhibit 2 Screening – Summary Memo
Exhibit 3 Evaluation Matrix

Task 10 *Prepare Phased Fill and Grading Plan*

Exhibit 1 Preliminary Fill Plan Scenarios for Upland Disposal – Columbia River Deepening Project (5 Sketches)
Exhibit 2 Engineers Construction Cost Estimate
Exhibit 3 Ogden Beeman Technical Memo #1 Corps of Engineers Fill Plan
Exhibit 4 Ogden Beeman Technical Memo # 2 Fill Plan Elevations
Exhibit 5 Ogden Beeman Technical Memo #3 Allowance for Site Dredged Material

Task 11 *On going Public Outreach and Involvement Process*

Exhibit 1 Summary of Open House #2; Newsletter #3 and Comments
Exhibit 2 Summary of Open House #3; Newsletter #4 and Comments

Task 12 *Identify Port Needs*

Exhibit 1 Railroad Access to Parcel 3
Exhibit 2 Ogden Beeman Technical Memo #4 Marine Only
Exhibit 3 Ogden Beeman Technical Memo #5 Sedimentation

Task 13 *Analyze Criteria and Create Work Program for Alternatives*

Task 14 *Preparation of up to Five (5) Development Alternatives*

Exhibit 1 Development Alternatives 1 through 5
Exhibit 2 Marine Structure Alternatives
Exhibit 3 Quick Facts
Exhibit 4 Fill Source and Costs

Task 15 *Evaluate Alternative Scenarios and Narrow to Three (3) or Fewer*

Exhibit 1 Development Alternatives 2, 3, and 4
Exhibit 2 Screening Criteria Matrix (See also Task 9)

Task 16 *Identification and Selection of Preferred Alternative*

Exhibit 1 Potential Revenue Ranges
Exhibit 2 Preliminary Financial Evaluation of Preferred Alternative
Exhibit 3 Summary of Open House #2 and Newsletter #4 Comments
Exhibit 4 Newsletter #5
Exhibit 5 Map of Preferred Alternative

Task 17 *Preparation and Submittal of the Draft Master Plan*

Task 18 *Summary Report*

Exhibit 1 Newsletter #6
Exhibit 2 Summary Report (Under Separate Cover)

Task 19 *Project Wrap Up and Close Out*

Exhibit 1 Bibliography for Library of Materials and Publications

I. Executive Summary

The Port of Vancouver Columbia Gateway Preferred Alternative Plan provides the framework for development of over 1,000 acres of Port of Vancouver property along State Route 501 between Vancouver Lake and the Columbia River. The preferred alternative plan is part of a larger planning effort initiated to provide direction for future development. This development will be consistent with the Port's mission of providing economic benefit to the community within the constraints of good environmental stewardship.

The planning effort coincides with an opportunity presented by the U.S. Army Corps of Engineers. In order to open commerce on the Columbia River for larger ships and barges, the Corps is exploring plans to deepen the navigation channel by three feet between the Interstate 5 Bridge and the mouth of the river at the Pacific Ocean. In preparation for that possibility, the Corps has asked the lower Columbia River ports west of I-5 to develop plans for the management of dredged materials.

As part of its planning effort, the Port of Vancouver assembled a project team of Port of Vancouver staff and consultants, led by the Mitchell Nelson Group. The team utilized input from citizens, community leaders and a technical advisory team to develop alternatives for the property.

Using this analysis and input, the team recommended a preferred alternative that has been adopted by the Port Commission. The preferred alternative plan provides opportunities for both marine-related and heavy industrial development on Parcel 3; and light industrial development on portions of Parcel 5. Rail access would be extended to the property from the east and road access would utilize SR 501, possibly with internal road improvements through Parcels 3 and 5.

The preferred alternative plan also provides opportunities for natural resource enhancements and recreational amenities on portions of Parcels 3, 4, and 5. These include a small boat basin, trails connecting to Vancouver Lake and Frenchman's Bar Parks, modifications to the flushing channel, and the reconnection of historic sloughs. Parcel 2, which is over 30 acres in size, was designated as a mitigation area for development on Parcel 1A, before the master planning process began. While it is included in the illustrations of all alternatives, its proposed use is the same throughout—mitigation. For this reason, the parcel is not discussed further in this report.

The exact location of future road and rail connections, parcel sizes, boundaries of specific industrial sites, and natural resource areas have not yet been determined. Details of these elements will evolve during an Environmental Impact Statement (EIS) study, through responses to future market conditions and customers/tenants, and the needs of the community. Once the EIS is complete, the preferred alternative plan will be refined into a development master plan for the Columbia Gateway.

Developing the Preferred Alternative Plan

The project team began the planning process by reviewing applicable Port, local and regional plans. It also assembled data on existing conditions related to topography, current uses, access, traffic volumes, infrastructure, zoning, environmental characteristics, geotechnical issues, and historic resources. Early tasks also included interviews with community leaders, who helped identify key issues and opportunities related to the project. The project team also conducted an external economic analysis to identify trends and opportunities for the Port, and an internal analysis to assess the Port's competitive strengths and weaknesses (Technical Appendices: Book I, Task 7, Exhibit 1).

Using existing conditions data, information prepared for the Corps, and information collected from community members, the project team assembled a number of draft alternatives for Port and public consideration. These included:

- **Alternative 1**
  The Army Corps' plan providing concentrated fill over a limited area
- **Alternative 2**
  Fill and utilize of all of Parcel 3, no development north of the flushing channel
- **Alternative 3**
  Industrial development on both Parcels 3 and 5, with emphasis on mixed industrial uses on Parcel 3
- **Alternative 4**
  Industrial development on both parcels 3 and 5, with emphasis on marine-dependent and/or marine-related industrial uses on Parcel 3
- **Alternative 5**
  The "no action" alternative

The process that led to the preferred alternative plan included consideration of important factors such as:

- Community needs
- Values added to existing natural resources
- Long-term land development costs
- Return on investment for the Port
- The future role of the Port in the land development process
- Niche opportunities for Port development
- Site development aesthetics
- Recreational opportunities
- In-water berth development
- Impacts on wetlands and waters

In the end, Alternative 4 was selected by the Port Commissioners as the best choice to address the Port's mission of providing economic benefits and protecting natural resources. This alternative was then refined to create the preferred alternative plan. The plan attempts to retain as much flexibility as possible during the EIS process, and for subsequent permitting and approval periods.

The public played a key role in development of the alternatives and the plan. During the course of the project, there were three public open houses, five work sessions with Port staff, two briefings for the Port Commissioners, three press briefings, and six newsletters mailed to more than 1,100 households and interested parties.

Environmental Impact Statement (EIS)

With the selection of the preferred alternative plan for the Columbia Gateway, the planning effort will now move into the EIS process. The EIS will identify impacts of the preferred and other alternatives, identify required mitigation, and provide guidance for the property's development.

Upon completion of the EIS and adoption of a master plan, the Port will be positioned to begin long-range marketing of the area. The marketing effort must take into account the time frame and activities that must occur to make sites available for development. Phasing of the implementation of this plan would create the opportunity to control the pace of development within the Columbia Gateway, to prevent "leap frogging." Therefore, it is suggested that the Port create a formalized phasing plan within the context of the EIS. Additional actions to be included in the EIS are: rail, natural resource mitigation, site development, communications and marketing. These topics are presented in the Future Actions portion of this report.

II. Project Description

The Columbia Gateway (Parcels 3, 4, and 5) consists of approximately 1,011 acres of undeveloped industrially zoned land located in the Vancouver Lowlands area, between the Columbia River on the west and Vancouver Lake on the east, north of the Vanalco plant and straddled by the flushing channel. Most of the property is leased by the Port for agricultural use, with some acreage left in its current, natural state (see color aerial photo, Technical Appendices: Book II, Task 4, Exhibit 1).

From the time the Port acquired the properties, it had considered creating an overall long-term plan for development. Yet until development could be tied to a practical time frame, there was no compelling reason to move forward. Two significant recent events have created a need for a concept plan for the Columbia Gateway properties, and provided a compelling reason for this effort to begin.

First, in 1996, a civil lawsuit brought by a private property owner resulted in a key decision by Judge Edwin Poyfair of the Clark County Superior Court. Judge Poyfair stated that an Environmental Impact Statement (EIS) that addressed all appropriate and pertinent issues relating to the site must be prepared, reviewed and approved before the Port can develop any portion of the Columbia Gateway, except for environmental enhancements. The planning effort described in this document is the first step in satisfying this requirement.

Second, in 1997 the U.S. Army Corps of Engineers initiated a "Feasibility Study to Deepen the Federally Authorized Columbia River Navigation Channel" from the existing -40 feet to -43 feet in order to allow Lower Columbia River Ports to accommodate new, larger and deeper draft vessels. Assuming that it continues to ultimate completion, the channel deepening project could generate approximately 17 million cubic yards of material dredged from the river. The Corps asked the seven ports of the Lower Columbia River, including the Port of Vancouver, to plan for the disposal of this material.

Recognizing a strategic opportunity, the Port of Vancouver moved to develop a plan for the area best suited to accommodate a large amount of the dredged materials: the Columbia Gateway. The Port determined that approximately 5 million cubic yards, or one-quarter of the total dredged material, could be beneficially used to fill portions of the property, to raise the topographic level of part of the area above the established 100 year floodplain of the Columbia River. Safely out of the 100-year floodplain, sites would be usable for some form of development.

In short, the primary question addressed by this concept plan is: "How should the Columbia Gateway be developed, using 5 million cubic yards of fill from the channel deepening project?" The results of this part of the master planning process—a graphic concept plan and a strategy to accomplish it—will answer this question and guide the Port in the use of the property.

In addition, the plan addresses the community's need for economic development as stated in the Vancouver/Clark County region's Growth Management Act (GMA) Plan. The GMA plan identified the Columbia Gateway as a base for regional industrial development and identified 800 acres within this area as future industrial land. Given that current City of Vancouver zoning identifies the Columbia Gateway for marine and heavy industrial uses south of the flushing channel, and light industrial development north of the flushing channel, the GMA Plan designation is consistent.

The final purpose of the master planning project is to meet the requirements of the Port's own goals and objectives. The Port's *Strategic Plan and Tactical Plan*, dated May 5, 1995, sets forth the Port's mission statement, goals, convictions, planning process, timeline, and general expectations over the next 10 to 15 years. The Port's Mission Statement within that document reads:

> "To provide economic benefit to the community by developing and operating facilities and services for marine, industrial and non-traditional uses within the constraints of good environmental stewardship."

The Port recognizes its role in economic development for the region, as well as its role in protecting, maintaining and improving the environment. The development of Columbia Gateway is a key element in meeting these guidelines.

III. Project Goals and Objectives

At the inception of this master planning process, the consultant team identified two primary goals. Specific associated objectives accompanied each goal. As outlined from the initial Goals and Objectives prepared by the consultant team, they are:

Goal #1:

Provide requirments for the Port's response to the Corps of Engineers requirement for dredged material fill sites.

Objectives

- Develop a preliminary strategic master plan for development of 1,042 acres
- Complete a full environmental and archeological survey and analyses including assessment of wetland and sensitive areas and delineation/determination and wetland functional value assessment
- Be flexible and adaptable to the changing needs of the Port of Vancouver

Goal #2

Create a long-term, strategic master plan for development of 1,042 acres.

Objectives

- Develop final long-term strategic master plan for development of 1,042 acres
- Provide the Port with opportunities for future economic development on new fill sites
- Create state-of-the-art facilities to take advantage of changes in rail service for both import and export service
- Create a program for infrastructure serviceability for the entire project area which will enable future economic development and growth
- Exhibit environmental sensitivity and responsibility toward health and welfare of the Columbia River, adjacent wetlands and upland habitats
- Provide background for programmatic EIS which the Port will need in order to develop the area
- Supplement existing and on-going activities of the Port of Vancouver and Port of Portland with expanded and/or new marine/industrial activities
- Improve the Port's position relative to other Lower Columbia River ports
- Determine an overall long-term strategic marketing plan for the results of this project
- Provide strategic timelines for future development of Columbia Gateway

These project goals and objectives, combined with the Port's *Strategic Plan*, provide direction for the plan and its implementation.

IV. The Planning Process

Originally conceived by the Port in 1995, the master planning effort was included as part of the Port's *Strategic Plan*. In August 1996, the Port issued a call to consultants for qualifications to undertake and complete the project. After review, the Port asked selected consultants to provide more specific proposals, held interviews, and chose a consultant team in January 1997. Contract negotiations were completed by March 1997, and on March 22, 1997 the Port Commissioners approved the contract with the selected team.

The preferred alternative plan was completed with a public review by the Port Commissioners on January 13, 1998, and their adoption by resolution of the preferred alternative. The final Summary Report, with Technical Appendices and Graphic Exhibits, was delivered in March 1998.

As part of the Port's "Strategic Objectives Event Timeline," an EIS is scheduled for the second half of 1998 and the first half of 1999. The timeline identifies the first development taking place after 2000, pending outcome of the EIS process.

Previous Planning

The consultant team began the master planning process by assembling and organizing available information about the Columbia Gateway. Besides the Port of Vancouver itself, major information sources included Clark County, the City of Vancouver, and Vancouver-Clark Parks and Recreation. A large centralized "library" of information was assembled in the consultant's office which, at the conclusion of the project, was turned over to the Port in March 1998 (Technical Appendices: Book II, Task 19, Exhibit 1).

Prior to and since the Port's acquisition of the Columbia Gateway properties, several plans, completed by agencies other than the Port, have addressed development of the Columbia Gateway. These plans include, but may not be limited to:

- *Visions for the Vancouver Urban Area – Community Vision 2010*
- *Clark County 20 Year Comprehensive Growth Management Plan*
- *Clark County Trails and Bikeway System Plan*
- *Vancouver Lake Lowlands Comprehensive Plan (HABITEK)*
- *Wildlife Mitigation Program—Final Environmental Impact Statement (Bonneville Power Administration, U.S. Department of Energy)*
- *Vancouver Lake Park and Frenchman's Bar Park—Master Plans*
- *Columbia River Renaissance Master Plan*

Many of these plans presume development of the Columbia Gateway project for marine-related industrial uses, and for light industrial and recreational uses. A review of these plans show an expectation for urban industrial development for the Columbia Gateway.

In order to make the Columbia Gateway master plan reasonably consistent with past efforts, the consultant team reviewed and consulted previous plans. Since previous plans set the stage and provide the basis for expectation of the parcels, this master planning effort has incorporated their ideas and followed a similar direction. Since the early 1990s several wetland reports have been done for the Columbia Gateway properties. These include the *Wetlands Report for Future Port Development Properties, Port of Vancouver* (September 1991), *Wetlands Assessment of the Kadow/Scherruble Future Port Development Properties, Port of Vancouver* (March 1992), and *Wetland Mitigation Plan, Port of Vancouver Parcel 1A* (June 1997).

As part of both the Habitek (1986) and Columbia River Renaissance Master Plan projects (1992), plans were prepared for the larger Vancouver Lake Lowlands Area. These plan projects were not conducted to create a specific master plan for the Columbia Gateway, though the Port was a participant in both projects. Those two projects laid the groundwork for this concept plan which focuses on the Columbia Gateway.

Fieldwork and Public Involvement

Consultants conducted necessary fieldwork for the master planning process including: a wetland and habitat investigation, a limited geologic and geotechnical reconnaissance, and a preliminary investigation for hazardous waste. In the course of the project, consultants toured the area several times to verify existing information or obtain new information. A bathymetric survey to determine the exact river depths adjacent to the shoreline was completed to determine the potential for marine terminal development on the river frontage. Consultants reviewed existing archeological literature and information, though they did not verify archeological information with field investigations (see Technical Appendices: Book I, Task 4, Exhibits 1, 2, 3, 4, and 5).

Consultants reviewed and analyzed all of this background information for applicability to the particular project at hand. This base information was made available to the public upon request; several interested individuals took advantage of the opportunity to review it.

In fact, the Port's public involvement program to gather community viewpoints related to this project resulted in a highly interactive planning process. During the course of the project, there were three public open houses or informational sessions, five work sessions with Port staff, two briefings for the Port Commissioners, three press briefings, and six newsletters mailed to over 1,100 households and interested parties. A future chapter of this document contains a detailed account of the project's public involvement program revealing the public's expectations for the Columbia Gateway.

Also during the research phase, the consultant team prepared base maps of the area. These base maps were used to generate specific exhibits on a variety of pertinent subjects. These graphic

exhibits, along with the base information, led to development of scenarios and preliminary alternatives.

After collecting technical information and public comment, five alternatives were developed for consideration. These options were evaluated using a set of screening criteria developed by the team, and ranked accordingly. Eventually, the five options were narrowed to a single, "preferred alternative." The Port Commissioners reviewed the preferred alternative in a public meeting, and adopted it by resolution as the guiding framework for the Columbia Gateway properties. This preferred alternative and others, ranging from "no-build" to "full-build," will be evaluated as part of the EIS process.

Agency Coordination

Because the concept plan contemplates development over a large area, which may include the loss and/or degradation of wetlands and upland wildlife habitat, coordination with state and federal regulatory agency personnel became an integral part of the planning process. An interagency group consisting of technical and land management personnel from the U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, National Marine Fisheries Service, Environmental Protection Agency, Washington Department of Fish and Wildlife, Washington Department of Ecology, and the City of Vancouver were invited to attend and participate in two meetings to review and discuss natural resource issues (see Technical Appendices: Book I, Task 2, Exhibit 1).

At the initial meeting, consultants described the project area, the goals and objectives of the master planning project, sources of information, the field investigation process, and preliminary results of initial field investigation efforts. Attendees helped refine the level of detail that would ultimately be needed for master planning purposes. Agency representatives identified sources of information, reviewed guidelines for the design of future field investigations, and discussed specific concerns that they wished to see addressed as part of the project.

Prior to the second meeting of the "interagency team," participants received and reviewed the draft Natural Resources Baseline Technical Memorandum (see Technical Appendices: Book I, Task 6, Exhibit 1). Representatives provided comments on the report, on-going issues and preliminary alternatives at the second meeting.

From the perspective of the agencies the two most important issues regarding development are: impacts to wintering waterfowl and other water birds, and impacts on wetlands. Discussions also covered what type of habitats should be present within any proposed mitigation areas and how to make project mitigation areas most continuous with surrounding resources areas.

The consultant team and the Port staff did not seek to have agency personnel "sign-off" on any specific proposals made as part of the planning process. The goal of the meetings with the interagency team was to provide information and obtain review, response, feedback and input.

The meetings also began the dialogue process about specific alternatives that will be conducted in greater detail during the EIS process.

The Technical Advisory Committee (TAC)

Another important part of the project was to assemble a group of experts representing a wide variety of different interests to serve as a technical advisory group. This group, known as the Technical Advisory Committee or "TAC," met four times during the course of the project on an as-needed basis to review information and provide a more technically-based set of comments. The input and feedback of the TAC provided a checkpoint in terms of the direction of the project and validated suggestions and recommendations made by the project team. The TAC was not established to make decisions, but to provide input. Several members of the TAC did not support the preferred alternative plan. Their concerns will be addressed in the EIS process and their continuing input will be significant.

The TAC was kept informed of the progress of the process and the project by mailings. In addition to the TAC meetings, the committee members had the opportunity for individual discussion with both the consultant team members and the Port staff. Overall, the participation of the TAC was useful and provided both the consultant team and Port staff with insights and observations that became invaluable to the project. Membership of the TAC is contained in the Technical Appendices: Book I, Task 2, Exhibit 2.

V. Description of the Project Area

The Columbia Gateway is undeveloped land located in the Vancouver Lowlands area, between the Columbia River on the west and Vancouver Lake on the east. It is an agglomeration of properties acquired by the Port since 1969 that has been designated by the Port as Parcels 2, 3, 4 and 5 for purposes of easier identification. The total area of these parcels is approximately 1,042 acres. The most reliable total acreage estimate appears to be 1,011 acres, based in descriptions of the individual parcels. There has been no definitive boundary survey to determine the exact acreage.

Parcel 2 was designated as a mitigation area for development on Parcel 1A, before the master planning process began. The existence of a Bonneville Power Administration substation, and the potential for a local fire station on this site makes Parcel 2 substantially committed to other uses. While Parcel 2 is included in all the alternatives illustrations, its proposed use will be the same throughout—mitigation. Therefore, the preferred alternative plan includes approximately 1,042 acres of land.

Over the years, the parcels have been managed differently by the Port. Parcel 3 has been used mainly as farm land. Parcels 4 and 5 were partially filled from the creation of the flushing channel and the dredging of Vancouver Lake. After the fill on Parcels 4 and 5 stabilized, agriculture was introduced, first as pasture for livestock, then expanding to include fields of alfalfa, barley, oats and corn. The Port currently leases portions of these properties for agricultural operations. At the present time, these areas are identified as the Holdner, Egger and Lechtenberg farms.

Acquisition of the Project Area

Alcoa originally came to the Vancouver Lowlands area prior to 1939 when the company began construction of an aluminum plant. After the plant became operational in 1940, the company gradually acquired 1,000 acres of land around the facility. In 1986, Alcoa divested itself of the aluminum facility, but retained ownership of the surrounding properties. Alcoa sold the majority of these properties to the Port of Vancouver in 1991 and 1992.

In addition to the Alcoa properties, the Port of Vancouver acquired a tract of land in the Vancouver Lake Lowlands from the Kadow family in 1969. In 1981, the Port acquired an adjacent parcel from the Scherruble family. At the time of purchase, no time frame was set for the future development and use of either of these parcels. The Port acted to buy these properties in the best interests of both the Port and the community, serving as part of a greater plan for long range expansion and development of Port facilities.

Parcel 3 also was acquired from Alcoa. It is 499 acres in size and contains natural areas and agricultural lands. It has never been used for industrial purposes, but rather has been in farm use for many years, generally on a lease/rental basis.

Parcel 4, also previously owned by Alcoa, was purchased by the Port of Vancouver in 1991 and is 112 acres in size. Parcel 4 historically has been used for agricultural purposes.

Parcel 5 is a combination of the former Kadow and Scherruble family farm properties acquired in 1969 and 1981. Parcel 5 is approximately 400 acres in size.

Parcel 3 is the only parcel that has river frontage directly on the Columbia River. Parcel 4 and Parcel 5 are "landlocked." The Port sold the shallow river frontage along Parcel 5 to Clark County for the development of Frenchman's Bar Regional Park.

Location

The Columbia Gateway is located west of State Route 501, known simply as SR 501, and east of the Columbia River. The area is generally north of the Vanalco Aluminum Plant and Columbia Resource Recovery (Recycling) Center, Clark Public Utilities Generating Center, and Clark County Minimum Security Jail Site and south of the Shilapoo Lake bottomlands. It is approximately 1.9 miles from the signalized intersection of Fruit Valley Road and Lower River Road. The distance from the Mill Plain Boulevard/Fourth Plain Boulevard interchange with the I-5 freeway is 3.2 miles. From City Hall in downtown Vancouver via Main Street and Fourth Plain Boulevard the distance is 3.5 miles. Travel times from I-5 and downtown are from 6-8 minutes, depending upon traffic conditions and signal timing.

Proximity to Existing Port Facilities

The area is entirely north and west of the Port's existing developed properties. Except for highway frontage, there is no contiguous connection between the area and the Port's developed properties and/or facilities.

Topography

The Columbia Gateway is reasonably uniform and level by virtue of its proximity to the Columbia River and its historic relationship with the river as a flood plain area.

At this reach of the Columbia River, the Ordinary High Water Mark (OHWM) elevation of the river is determined to be 16.6 feet MSL, based on Columbia River Datum. The 100 year flood plain has been established at 27.5 feet.

Parcel 3 exhibits evidence of draining or filling in two specific areas. One area has been historically used for farming. This first area, located on the northerly portion of Parcel 3, is a historic wetland area considered to be "prior converted cropland." The other area is the roadbed of the original alignment of SR 501 or Lower River Road, which continues to be used through Parcel 3 in a north-south direction, roughly parallel to the current alignment of SR 501. Otherwise, most of Parcel 3 is 20 feet MSL, with elevations ranging from 4 feet to 30 feet where a dike has been constructed at the river's shore line.

Parcel 4 also was, historically, lower in elevation and part of the flood plain. However, as part of the improvement of Vancouver Lake and creation of the flushing channel in the early 1980s, dredged materials were deposited on Parcel 4 and portions of Parcel 5, raising the topography of the land to generally not less than 20 feet MSL. There remain pockets of land where the topography is down to 8 or 10 feet MSL on Parcel 4. On Parcel 5 there also are some areas where topography is less than 20 feet MSL; most of Parcel 5 is 20 feet MSL or more.

Current Uses

There are two existing uses of the Columbia Gateway: agriculture and natural. Agriculture, consisting of a mixture of row crops and pasture, is the predominant land use of the Columbia Gateway. The few areas that are not cropped or grazed are in somewhat natural condition, and include patches of cottonwood and related species forest and sloughs. Current uses of the area are depicted in the color photograph found in Technical Appendices: Book I, Task 4, Exhibit 1.

Agriculture is practiced on portions of Parcels 3, 4 and 5. On Parcel 3 there is a near split between pasture and row crops. A strip of forest area adjacent to the river and several small sections of sloughs are also present, mostly adjacent to SR 501. Field areas are clearly distinguishable; and what is not cropland is grazed. Two active farmsteads exist on Parcel 3 adjacent to Lower River Road.

Virtually all of Parcel 4 is in agricultural use. There is a small area adjacent to SR 501 that is not in agricultural use and appears to be in a near natural state.

Parcel 5 also is largely used for agriculture, with large field areas for production of corn, wheat or other grain crops, and pasture. There is one farmstead on Parcel 5.

Surrounding Uses

Directly adjacent to, and south and east of the Columbia Gateway are the Vanalco aluminum plant (the former Alcoa plant), the Clark Public Utilities District Co-generation facility, and the proposed site for a minimum security jail. To the east is Vancouver Lake Park. To the north is an area that is primarily natural, but with farming activity interspersed. To the west is the Columbia River. Located between the river and Parcel 5, on the north side of the flushing channel, is

Frenchman's Bar Regional Park on the shore of the river. Further north is the Fazio Brothers sand and gravel operation. This operation makes significant use of SR 501 and the older section of Lower River Road on the north side of the flushing channel.

East of the existing Port facilities, industrial uses become more prevalent approaching Vancouver's urbanized area that begins in the vicinity of Fruit Valley Road.

The only residences in the immediate vicinity are the farm-related dwellings on Parcels 3 and 5. Other rural residential or farm related dwellings are considerable distances away to the north and east.

Access

Vehicular access at the present time is via Lower River Road and SR 501 from the southeast, or city side of the area. Both Lower River Road through Parcel 5 and SR 501 passing the Columbia Gateway on the east side, dead end or serve as accesses to other properties. Neither road is a through route to other publicly accessible locations.

The Columbia Gateway is well located relative to local, regional and interstate travel routes. Fourth Plain Boulevard, which becomes SR 501, is a major east-west arterial through Vancouver that provides the primary vehicle and truck access to the port area at the present time. It provides access to the I-5 freeway and many of the north-south streets, and ultimately to the I-205 freeway. Fourth Plain Boulevard also connects to streets such as Kotobuki Way, Broadway, Main, and Columbia that provide access to downtown Vancouver.

Mill Plain Boulevard also provides access to the area. However, it currently does not have a direct connection to the Columbia Gateway. With the completion of the "Mill Plain Extension," superior access to the entire port area from downtown Vancouver, I-5 and I-205 will become available. This extension also provides an expansion of the "multi-modal" access to the Port and fulfills traffic capacity concurrency issues for the existing and future Port facilities.

The access to and connection between the port area and I-5 is an extremely important feature. The current route via Fourth Plain Boulevard is suitable, but is narrow for a four- and sometimes five-lane route. Trucks using this route often create conflicts with personal autos due to the narrow lane configurations and occasional meandering of lanes. The travel time from the I-5 freeway to the port area is minimal at the present time, but can be impacted by congestion and signal timing. These conditions will improve when the Mill Plain Extension is completed. The addition of a new grade separated entry to the Port at the 26th Street location will link the Mill Plain Extension directly to the Port (see Technical Appendices: Book I, Task 4, Exhibit 8).

Direct water access exists to Parcel 3 only, but is undeveloped and currently unusable for barge or large vessel purposes.

51

The Columbia Gateway contains no aircraft landing facilities.

Rail access is provided to the current Port area but terminates approximately one half mile east of the Columbia Gateway.

Traffic Volumes

At the present time, traffic volumes on SR 501 and Lower River Road are highly variable. Because of Vancouver Lake Park and Frenchman's Bar Park, traffic on SR 501 is seasonal, with the highest volumes occurring during the summer. During good weather periods, traffic is highest on the weekends, as significant numbers of recreational users take advantage of the parks.

SR 501 and portions of Lower River Road serve such industries as Fazio Brothers Sand at the northerly end of Lower River Road beyond Frenchman's Bark Park, Vanalco, the recycling plant adjacent to Vanalco on the north, the co-generation plant, the Tidewater barge operation, and several farm operations. During regular daytime activities these operations combined generally produce less traffic than the levels produced by recreational users.

There is some conflict between vehicle types on both SR 501 and Lower River Road. In particular, Lower River Road, between SR 501 and Frenchman's Bar Park on the north side of the flushing channel, is a narrow, two-lane paved roadway with sharp curves and narrow shoulders. Larger truck and trailer rigs that require greater turning radii and longer stopping distances typically use SR 501, a wide roadway with broad shoulders and limited access points. Since Frenchman's Bar Park opened in 1997, a full record of traffic issues created by potential conflict between personal vehicles on recreational trips and truck and trailer rigs on commercial trips has not yet been established.

Infrastructure – Services and Utilities

Without extension of existing utility service along SR 501, publicly supplied water is not available to or within the area. Local users in the immediate vicinity utilize on-site wells. If lines were extended to serve the area, adequate amounts of water would be available.

Sanitary sewer is also not currently available to or within the area but could be provided by extending the existing service along SR 501. Local users in the immediate vicinity utilize individual on site sewer systems. Both water and sanitary sewer could be provided to the project area by the City of Vancouver through the extension of existing lines.

Electric power is available to current farm users of the land, as well as to other users in the vicinity. Power is provided by Clark PUD.

Fire and police protection are provided by the City of Vancouver. Columbia Gateway is within the incorporated city. Fire service is provided on-call/as-needed, and police patrols are provided in the same manner. Scheduled patrols do occur in the area during the times of the year when both Vancouver Lake and Frenchman's Bar Parks are open.

Telephone and natural gas service are currently available in the vicinity. Only telephone service is utilized by local users. Vanalco makes extensive use of both telephone service and natural gas via dedicated lines from the north through Parcels 3 and 5.

Wetland, Riparian and Habitat Characteristics

Varying areas of wetlands are found on Parcels 3, 4 and 5. Parcel 3 has the greatest area of wetlands. On Parcels 4 and 5 wetlands are located on the perimeters of the parcels. Extensive wetland and habitat reconnaissance have been conducted in these areas, as a part of this project and for other purposes prior to this project. A formal wetland delineation was not conducted as part of this project.

Soils at the Columbia Gateway tend to be wet seasonally due to the topographic elevation. Berms protect the area from the Columbia River, but groundwater levels are influenced by the Columbia River. Shallow well groundwater monitoring is currently underway and the results of this year-long monitoring project will provide additional information about local groundwater by end of 1998.

Vegetation is influenced in part by uses of the area. Farming activities have reduced the amount of natural vegetation and limit plant life to agricultural crops and pasture grasses. Areas of natural vegetation are found on the perimeters of the parcels and adjacent to wetland areas and sloughs.

Riparian and wildlife habitat areas are defined by the wetlands and sloughs. Areas of agricultural crops and pasture provide food for birds that inhabit or visit the Vancouver Lowlands area, especially in winter. Use of the property for foraging by birds is related to the area's adjacency to protected properties owned by the Washington Department of Fish and Wildlife and the Ridgefield National Wildlife Refuge. According to state and federal agency personnel, the most important habitat value of the Columbia Gateway is to provide seasonal habitat for wintering waterfowl. Nests for bald eagles, shoreline habitat for salmon, and habitat for other sensitive wildlife are found in the surrounding vicinity.

Wetlands and habitat studies performed for this planning project provide more detailed information regarding wetlands, riparian areas, and habitat areas and are included as appendices to this report. In sum, wetlands in the area vary in quality and value, and have been impacted in the past. Evidence indicates that some historic wetlands have been filled and drained different times. Although the Vancouver Lowlands area once was extensively laced with sloughs and

wetlands, many no longer function due to diking, fragmentation, and historic filling. Overall, the loss and degradation of wetlands and other habitat areas have reduced the quality of habitat in this portion of the Vancouver Lowlands over time.

According to these studies, and to background information obtained for the project, no listed endangered species reside at the Columbia Gateway, although there is eagle habitat and nesting occurring nearby and Sandhill cranes forage in agricultural areas on a seasonal basis.

Current Zoning and Allowable Uses

The City of Vancouver is the zoning authority for the Columbia Gateway. Zoning designation for the property is separated and defined by the flushing channel. Parcel 3, lying south of the flushing channel and adjacent to the existing Tidewater and Vanalco industrial sites, is zoned "MH" or Heavy Industrial. "MH" is the city's heavy industrial zone that permits development of virtually any light, heavy or marine industrial activity. This zoning comprises 499 acres, approximately half of the Columbia Gateway.

The area north of the flushing channel, designated Parcels 4 and 5, comprises approximately 512 acres, or the remaining half of the property. This area is zoned "LI" or Light Industrial, allowing less intensive industrial uses, business, and office parks.

The City of Vancouver uses a "pyramid" zoning system whereby the "higher" or more intense zone permits all of the uses contained within the "lower" zones, plus some uses specifically identified for the higher zone. The cumulative effect is that the higher zone encompasses a wider array of allowable uses. In this case, the MH (Industrial) zone on Parcel 3 is the "highest" or most intensive and permits development of the widest variety of industrial activities. The LI (Light Industrial) zone on Parcels 4 and 5 is a bit more restrictive because it is the "lower" zone.

Geotechnical and Hazardous Waste Issues

For this plan, a limited geotechnical reconnaissance was conducted. This geotechnical reconnaissance included a review of the potential for hazardous waste at the Columbia Gateway.

Geotechnical borings were made at selected locations within the project, locations identified as likely to provide a typical sampling of soils and subsurface material types. The geotechnical reconnaissance revealed that the property is primarily made up of riverine materials to significant depths. Preliminary geotechnical information indicates that placement of the fill may impact how the property is developed since soil pressures from this "surcharge" may result in some long term settlement of buildings if adequate foundation design is not incorporated into the overall building design and construction. The results of this reconnaissance are similar to previous studies in the area.

The geotechnical reconnaissance report and preliminary assessment of potential for hazardous waste are included as appendices and provide additional information on these issues (see Technical Appendices: Book I, Task 4, Exhibit 3).

Historical and Archaeological Resources

Available information regarding archaeological and cultural values of the project area was reviewed. Available records and information from a variety of sources indicate that the historic, archaeological and cultural values of the Columbia Gateway are limited and not unique to the area. The reconnaissance report that includes more specific information regarding archeological and cultural resources at Columbia Gateway is included as an appendix to this report (see Technical Appendices: Book I, Task 4, Exhibit 2).

VI. Public Involvement

The preferred alternative master plan public involvement program created a mechanism to share information with the public, provides a means for citizens to comment, and to build a relationship and understanding of goals between the Port and the community. The Port's goal was to provide the public useful information throughout the planning process and to communicate the relationship between the core issues and the alternatives as they were considered.

Information was collected from individuals using stakeholder interviews, exit questionnaires distributed at open houses, and return response forms included in newsletters. This information was then used by the project team and the Port to refine the plan. Information also was reported back to community members at subsequent open houses and through newsletters.

Approach

The public involvement program included four major components: the project mailing list, stakeholder interviews, six project newsletters and three project open houses. Each component of the program was designed to facilitate two-way communication between the public and the Port about development of the plan for the Columbia Gateway property.

This section describes the implementation of the major components used in the master plan public involvement program. It offers a description of each component, the process in which it occurred, the time frame and the number of responses received from each component. All responses to interviews, exit questionnaires and newsletter reply pieces are summarized in the public comment section of this chapter. Additional information is contained in Technical Appendices: Book I, Task 2, Exhibit 3, Task 8, Exhibits 1-5; Book II, Task II, Exhibits 1 and 2; Task 16, Exhibits 3 and 4; and Task 18, Exhibits 1 and 2.

Mailing List Development

Early in the master planning process, project team members met with Port representatives to design a public involvement program that would offer those with a "stake" in the planning effort opportunities for input in the development of the Port's Columbia Gateway property. Beginning with the Port's mailing list, the project team built a project mailing list of over 500 individuals and organizations from ten stakeholder groups including:

- Interested Citizens
- Agricultural Interests
- Business and Industry Representatives

- Community Groups
- Neighborhood Associations
- Landowners
- Environmental Interests
- Recreational Interests
- Local and State Agency Representatives

The list of individuals and organizations from these groups was supplemented by adding those who attended open houses and those who requested information throughout the process. This mailing list was then used as the basis for distributing information to community members.

Stakeholder Interviews

Phase I of the master planning process included 20 stakeholder interviews conducted with interested individuals and community leaders to help identify key issues and opportunities related to the project (see Technical Appendices: Book I, Task 8, Exhibit 1). Individuals were selected for interviews because of their individual expertise or because they represented an organization with an interest in the Port's activities.

Interviews were conducted either in-person or by telephone. Prior to the interviews, interviewees were telephoned to explain the purposes of the interview. The interviewees were then sent a fact sheet describing the project's purpose, the planning process, a description of the property, and the list of general questions to be asked during the interview (Technical Appendices: Book I, Task 8, Exhibit 5).

The majority of the initial interviews took place between April and June 1997, and were intended to inform stakeholders that the master planning process was getting underway, and to have interviewees identify key issues that they felt needed to be addressed in the planning process.

Newsletters

Six project newsletters were distributed throughout the planning process to those on the mailing list, and were made available for review at the Port offices as well as at project open houses and other public meetings in the community. Several of the newsletters included a return response form so that readers could share their ideas, concerns and comments with the project team and the Port on the plan's development. A description of the content and timing of each newsletter follows:

- Newsletter #1 (Technical Appendices: Book I, Task 8, Exhibit 2)

Distributed in early Spring 1997, this publication included: an article reporting that the master plan was getting underway, a study area map, an announcement of the project's first open house,

a project timeline, and a project contact person and telephone number, should readers want more information.

- Newsletter #2 (Technical Appendices: Book I, Task 8, Exhibit 4)

Distributed in late Spring 1997, this publication included: a summary of public comments about the master planning process gathered at the first open house, project progress, a second open house announcement, stakeholder interview comments, project team descriptions, a parcel map, and project contact person and telephone number.

- Newsletter #3 (Technical Appendices: Book II, Task 11, Exhibit 1)

Distributed in Summer 1997, this newsletter included: descriptions and maps of five preliminary development scenarios, a return response questionnaire prompting readers to identify features of the scenarios they liked and disliked, a description of the next steps in the planning process, and project contact person and telephone number. In all, 20 people returned the response form using fax, mail or telephone.

- Newsletter #4 (Technical Appendices: Book II, Task 11, Exhibit 2)

Distributed in Fall 1997, this newsletter included: descriptions and maps of three alternatives selected for further review and analysis, a return response questionnaire prompting readers to identify features of the alternatives they liked and disliked, and a description of the next steps in the planning process. This newsletter also reported comments gathered at the project's second open house, announced a third project open house, offered information about next steps in the master plan development, and provided a project contact person and telephone number. Fifteen people returned the response form using fax, mail or telephone.

- Newsletter #5 (Technical Appendices: Book II, Task 16, Exhibit 4)

Distributed in Winter 1997 near the end of the planning process, this newsletter illustrated the preferred alternative, informed readers of an upcoming Port Commissioners Meeting, provided readers with information about the next steps in the development of the Port property, and offered a contact number for community members who were interested in following the process.

- Newsletter #6 (Technical Appendices: Book II, Task 18, Exhibit 1)

Distributed February 1998 at the conclusion of the project, this newsletter informed the public of the choice by the Port Commissioners of the preferred alternative, and provided information regarding the upcoming EIS process, the next step for the Port.

Open Houses

The public involvement program included three public open houses at key points during the planning process. Approximately forty citizens attended each open house. The open houses offered attendees an opportunity to learn more about project progress and provide feedback to the planning team. All open houses included a short presentation by project team members and Port staff. Participants were then able to tour displays of project information and share their

comments directly with project team members and Port staff. All participants were asked to complete and return exit questionnaires which provided citizens another opportunity to comment on the plan and the public involvement process.

Prior to the open houses, announcements were mailed to more than 500 individuals and organizations. Paid advertisements also appeared in *The Columbian* and through the City of Vancouver's neighborhood organizations newsletter. Additionally, press releases were sent to both *The Columbian* and *The Oregonian*, and public service announcements were distributed to print, radio, and television media. Press conferences, at which prepared press information kits were distributed, were held three times during the process. Press coverage was extensive.

- Open House #1 (Technical Appendices: Book I, Task 8, Exhibit 3)

The first project open house, held May 28, 1997 from 4 to 8 p.m. at the Port of Vancouver Administrative Offices, began with a short explanation of the master planning process and a description of study information available for review. Attendees then toured a series of five stations containing displays that detailed project purpose, scope and schedule; current economic and market conditions; other related plans underway; concepts used to make facilities siting decisions; and wetland, wildlife, and habitat information. Each station was staffed by Port and consultant personnel and provided opportunities for discussion and to provide written comments on flip charts. In addition to discussion at each station, open house participants were asked to respond to each station by filling out corresponding questions in a work book. These books could be returned as the participants left the open house or mailed in later. A total of 11 workbooks were returned. Thirty-six people signed the open house attendance sheets, however other people came to the open house who did not sign in.

- Open House #2 (Technical Appendices: Book II, Task 11, Exhibit 1)

Held July 9, 1997 from 4:30 to 7 p.m. at the Fruit Valley Elementary School, the format of this open house focused on a presentation to attendees about preparation of five preliminary development scenarios for Port property. Project team members explained criteria used in scenario development and discussed the elements of each of the five preliminary scenarios. Following the presentation, attendees toured illustrations of the scenarios and discussed development concepts with members of the project team and Port staff. Open house participants also could respond to the preliminary scenario and the master planning process by filling out an exit questionnaire. Participants also were able to attach comments directly to the illustrations of the scenario. Five people attached comments in this manner, and seven people returned questionnaires. Thirty-five people signed the attendance sheets, however other people came to the open house who did not sign in.

- Open House #3 (Technical Appendices: Book II, Task 11, Exhibit 2)

The third open house was held November 4, 1997 from 5:30 to 7:00 p.m. at the Port's Administrative Offices. The open house began with a presentation of the five original development alternatives for Port property. Project team members explained the elements of each alternative, using maps to aid in their presentation. Attendees were able to ask questions before and after the presentation. The project team then presented and discussed the three semi-final

alternatives that would be further reviewed and analyzed in greater detail. Following the presentation, attendees toured illustrations of the alternatives and discussed development concepts with members of the project team and Port staff. Participants also were able to attach comments directly to the illustrations of the alternatives, and given an exit questionnaire to record additional comments. There were no comments attached to the maps of the alternatives; three people returned the exit questionnaire. Thirty-five people signed the attendance sheets; others who came did not sign in.

Public Comment Summary

This section summarizes all public comments collected using stakeholder interviews (Technical Appendices: Book I, Task 8, Exhibit 1), newsletter response forms (Technical Appendices: Book II, Task 11, Exhibits 1 and 2), and open houses (Technical Appendices: Book I, Task 8, Exhibit 3; Book II, Task 11, Exhibits 1 and 2). Comments are summarized using the following topic areas:

- The Environment
- The Fill Plan
- The Flushing Channel
- Recreational Features
- Economic Development
- Transportation

The Environment

By far, the topic that generated the most discussion during the public involvement program was wildlife, wildlife habitat, sloughs and wetlands. Three quarters of those making comments during the process were concerned about how at least one of these important resources would be impacted by the development of the Port's property. Respondents regularly mentioned concern about wildlife and wildlife habitat and how development might affect the quantity and quality of natural resources that support the area's wildlife. There was discussion about use of the property by some threatened wildlife species and that more study may be needed to accurately access the impact development might have, especially to Parcel 5, and to adjacent properties not owned by the Port.

Concern also was expressed about the need for off-site mitigation. If mitigation is required due to the filling of existing wetlands, most respondents preferred on-site mitigation because they thought it would be more beneficial for the wildlife of the area. In general, more people were concerned with wetlands on all parcels, rather than only those located on Parcels 4 and 5. Some of these respondents also suggested that wetlands previously filled in Parcels 4 and 5 should be restored. There were also a substantial number of comments about keeping wetlands and wildlife areas "natural" as opposed to recreational open space areas such as Vancouver Lake Park. In

addition, many voiced disapproval of resorts and office buildings near recreational and open space areas.

Most respondents indicated that they wanted to see the Port make the best use of the property with the least impact to the ecosystem. Many participants also expressed support of industrial development, but development that was sensitive to the environmental resources of the property. They did not want to see degraded wetlands surrounded by industrial uses. Many respondents also expressed a strong interest in mitigation and a desire to link existing restoration work with future mitigation efforts.

The Fill Plan

Many respondents expressed an interest in learning how much fill would be used at the Columbia Gateway, and where it would be used. If wetlands are lost due to development, most wanted to ensure that mitigation plans are of a very high quality and reflect the best available scientific principles. Again, many suggested some form of monitoring be developed to ensure the long term success and maintenance of mitigation efforts. In addition, several people stated that wetlands play an important role in flood control, and expressed concern about the effect development and the potential loss of wetlands might have on the area.

The Flushing Channel

In terms of developing land for future industrial use north of the flushing channel, while some were opposed to any development north of the channel, most people understood that in balancing economic benefit and environmental stewardship there may be a need to plan for such development, but wanted to see it occur only after Parcel 3 had been fully planned and substantially developed. Most respondents felt if development was necessary on Parcels 4 or 5, careful planning should include: minimal disturbance of wetlands, reconnection of sloughs, enhancement of the flushing channel shape if such adjustment is beneficial for wildlife, and unfragmented space and habitat for wildlife. In general, people were concerned with wetlands on all parcels, rather than only those located on Parcels 4 and 5. Other comments revolved around a desire to see the property developed in an orderly manner, beginning with areas south of the flushing channel and including development north of the channel only as necessary. Most people seemed to believe that the Port would follow this approach and act responsibly and allow development in this manner.

In terms of creating a subterranean flushing channel, several respondents liked the idea of maintaining and enhancing the existing surface channel, while at least two people supported the idea of an underground culverted channel because they felt it would eliminate the need for a bridge. Others expressed support for a subterranean channel if it would better control the level and quality of water in Vancouver Lake.

Public Access and Recreation

In terms of recreational and public access features, a number of ideas were suggested, including improvements to amenities at Frenchman's Bar and Vancouver Lake Parks, and better access to public areas for swimming, fishing, and boating. Many felt that the inclusion of a trail system master plan for the area would be a great asset to the community. There were suggestions that perhaps the City of Vancouver could partner in the planning and development of a joint open space and community access plan for the area. There were also suggestions for open space areas that would be more "natural," providing unfragmented habitat for wildlife. Many suggested that development should include trails that link existing recreational and open spaces, while providing for further amenities offered by properties nearby.

Public comments included a variety of ideas about the type of recreational activities that should be incorporated into development plans. Comments ranged from no development, leaving the area in a natural state as open space; to allowing relatively low impact activities such as dog walking areas, biking, and jogging trails; to full development such as a golf course or marina.

Many people showed interest in maintaining public access to the river, to the parks and open spaces in the Columbia Gateway. It was stressed that any development that occurs should include a plan to allow for and improve existing public access to the river and open space areas. In addition, some expressed concerns that view sheds be preserved, and that where practical, view pull-outs be considered during roadway improvements. Some suggested there may be opportunities for shared use of parking and access roads between the Port and local parks, especially since the Port's heavy use time is during the week and peak use of the area's parks occurs on the weekends.

Throughout the public involvement process many commented about amenities they felt were undesirable. Several people disapproved of the possibility of an additional golf course, and others were concerned about the possibility of a public marina because they felt that industrial development and public access would be incompatible. In addition, several respondents were concerned with the type of recreational activities that might be encouraged in the area, and how those uses might conflict with Port activities. For example, activities that have a specific start time such as soccer or baseball might generate significant traffic congestion problems.

Economic Development

Comments from many respondents centered on the need to preserve available land for industry, since very little land exists that is currently suitable for this type of development. A few respondents felt that the alternatives did not fully use industrial and marine industrial opportunities and that too much potential industrial land could be lost to wetlands preservation or enhancement and recreation. These respondents felt that the current industrial zoning of the land was appropriate and that the land should be fully utilized for industrial purposes. Support of deep water access on Parcel 3 was also widely supported, although there were several comments opposing terminal facilities extending out significantly into the river.

Additional suggestions were made about the creation of a balance between economic and environmental issues. Most suggestions included some mix of industrial uses that incorporates natural and recreational areas, although there was varied discussion of how this might be accomplished. Several others supported this suggestion and added that Parcel 4 could be used for the required wetland mitigation. They also suggested that enhanced parks and highway connections to Parcel 5 should be added. Respondents encouraged partnerships with the City and perhaps the County, as well as making improvements to the roadway systems, recreation and wildlife areas.

Many respondents identified the need for a coordinated planning process that integrates the Port's master plan with current land use, transportation and infrastructure plans. One issue raised by several individuals was the quality of life that exists in the area now, and how the master planning process could address potential impacts to landowners, businesses, residents, and recreational users of the area. Concerns were expressed that development could impact livability and the area's sense of place.

Several interviewees discussed the need for compatibility and balance between industrial development and recreational activities. A few spoke of the possibility of changing the zoning of the property to allow for mixed use development.

Transportation

Many respondents recognized the importance of improved roads to future development. They also supported public transportation, although a conflicting view of an improved transportation system was expressed as "build it and they will come" which was seen as detrimental to the environment and surrounding area. Overall comments reflected a desire to prepare the area for additional water-related industrial development while attending to the sensitive environment. Interviewees felt it is important to have the infrastructure in place to support development. This was considered especially important given the limits of the Mill Plain Extension Project, which does not address Lower River Road.

Several comments were offered about the need to improve and expand the area's roadways, including extending SR 501 and adding an extension and/or connection to I-5. These respondents expressed a desire to review a more detailed road infrastructure plan. Respondents also indicated an interest in the Mill Plain Extension Project. Many felt a need for clarification about how this project will ease traffic problems and how the project fits with the Port's master plan.

Many commented about the tremendous potential for expanding the rail network. They felt this would allow for the expansion of many businesses because it would make shipping to locations outside Oregon and Washington more economically feasible.

Many expressed concerns about conflicts relating to transportation. Several comments noted the difficulty at the Port's current entrance where vehicle traffic is impacted by the rail crossing. Development of new recreational uses that would increase traffic pressure, especially at peak

operating hours also caused concern. In addition, some individuals made specific transportation infrastructure improvement suggestions, which are given below:

- 14th Street Extension: One respondent suggested a continuation of the now terminated roadway and right-of-way adjacent to Vancouver Lake Park that could provide a dual function as both a road and a dike. The suggested alignment included going by the flushing channel then connecting with Highway 219/269. This would allow trucks to pass through the WSDOT weigh station located at mile post 15, directly accessing the Columbia Gateway from the north.

- Improved System Coordination: Several respondents suggested coordinating efforts with the Port of Portland to minimize duplication and create a more efficient system.

- Alternative Mode Connections: A few respondents suggested the possibility of a third bridge connecting Portland and Vancouver that supported an alternative mode of travel.

Economic Development and Infrastructure

Comments from many respondents varied widely regarding features that should be included in a draft plan. Several comments focused on the need to provide land for industrial development, including both deep water and barge access and space for industrial support service businesses.

Interviewees believed that planning for long-term industrial needs is important to the area's economic vitality. Comments were made about the relationship between economic development and the Growth Management Act (GMA). Many felt the master planning process was an important and timely opportunity to reflect on the county's limited supply of industrially zoned land. There appeared to be some concerns that this land may be rezoned for other uses.

A consistent theme expressed by interviewees involved the need for the master plan to include a long range vision for economic development at the Port, and that it be based on realistic market indicators. One interviewee suggested taking a historical look, then expanding that vision 20 or 30 years into the future to develop an idea of what the market demands might be in the future. Additionally, that interviewee suggested looking at the plans developed by other ports in the area, taking into consideration changes in newly emerging global markets, and preparing the Port to fill those needs.

Interviewees felt it is important to develop a balanced master plan that includes container operations, break bulk facilities, inside storage and sufficient shore cranes. Comments were made indicating that break bulk creates more jobs than containers and provides higher wage job opportunities. Interviewees suggested that the Port needs to look at development options that will support the future expansion needs of existing tenants. The need for the Port to have a growth and development plan reflecting market demand also was mentioned. Such a plan might determine whether the sale of land to developers, other than the Port, might be a better option than leasing.

Interviewees commented that the Port needs to become more competitive in vessel shipping services. For example, one interviewee pointed out that if a vessel is a partial charter, the ship owner may choose his or her own port, opting for a more modern facility. This interviewee stated that if the Port continually upgraded its equipment in terms of technology and facilities, it would likely attract more vessel business.

Cultural and Historical Resources

Some respondents expressed interest and concerns about cultural and historical resources located at Columbia Gateway, and that these should be taken into consideration during the master planning process. Several identified some existing studies, such as an archeological investigation conducted at Vancouver Lake. Several suggested that the Port could maximize the cultural and historical resources by locating interpretive signage and being sensitive to development in areas where resources exist.

Themes in Public Comments/Conclusions

Although individuals participating in the public involvement process represented a variety of interest groups, common themes about reaching a balance between environmental protection and economic stability emerged. The strongest recurring theme was support for the protection of wetlands, wildlife and wildlife habitat, especially near the river and the wildlife refuge. The public is aware of the environmental sensitivity of the area and places a high value on maintaining quality wetlands, wildlife and habitat areas. Some people believe existing wetlands should be preserved, while others are in favor of restoring those previously lost. Most want to see the quality and quantity of water in Vancouver Lake maintained, although there is disagreement how proposed changes to the flushing channel would affect the lake. Many people expect high quality mitigation. Most participants indicated that they want the Port to make the best use of its property with the least impact to the ecosystem.

The majority of respondents support a compromise position in development of the Port's Columbia Gateway property specifically, careful development that includes: minimal disturbance of wetlands; limited industrial development favoring marine uses and making use of deep water access; transportation improvements into and around the property; enhancement of the flushing channel and reconnection of sloughs; and preservation of wildlife habitat and wetlands wherever possible. Participants expressed a desire to see continued use for both heavy and light industry, especially those which are water-related. Industries providing family wage jobs were deemed important.

With few exceptions, those supporting environmental protections also accepted some kind of industrial activity on the land. Some respondents gave priority to industrial development, and the need for economic activity, yet they too acknowledged the need to make special efforts to preserve sensitive natural resources.

Participants showed a clear concern with different uses for the area, but more importantly they were concerned about how different uses—industrial, wildlife, and recreation—would interact with each other.

Several of those commenting on the plan expressed an understanding of the complexity of a solution that successfully addresses these potentially conflicting goals. Many also recognize and support the need for additional economic development to generate family wage jobs.

Several people suggested that the Port be more pro-active with the community, offering improved communications links, such as a web page or newsletter to provide public information about Port operations. They also were concerned about how development projects might affect them in terms of noise, traffic, and other topics of interest. Several people suggested publicizing Port tours and open houses, and arranging activities such as demonstrations of hazardous material emergency response operations.

Many participants expressed an interest in seeing closer integration between the Port and the community. Because the Port's activities have a major impact on the community as a whole, especially in terms of the economy, jobs, and transportation issues, several participants suggested that the Port should play a role in the larger community, rather than focusing narrowly on issues on or near its property. Several participants felt that this is a key issue, since the Port has a large stake in healthy and efficient management of the area as neighbor, user of the nearby parks, and as a member of the community.

Many participants expressed an interest in continuing to follow the progress of development of the Columbia Gateway. Participants expressed a strong interest in the Port's ongoing activities, and many wanted to keep communication lines with the Port open, especially when it comes to protecting the environment. Participants expressed high expectations about the opportunity the property offers to tie together economic development, community and environmental resources. Some participants perceived the master planning process as an opportunity to address the split between the economy and the environment, create a public discourse on the issue, and leverage new partnerships. In this way, the community could be offered a comprehensive picture and would be better able to understand trade-offs.

As the plan develops, participants expressed a high level of interest in being informed about where fill, rail, roads and mitigation would occur. Most people want to see careful development that will maximize land available for industrial development while at the same time providing for the conservation of important natural resources. Many support development that will include: minimum disturbance of wetlands; possible enhancement of the flushing channel; restoration of degraded or disconnected wetlands and sloughs; deep water and barge access; and the preservation of wildlife habitats. Many also report a desire to ensure that the Port's plan maximizes job opportunities for the community.

VII. Economic and Market Review and Analysis

The Port of Vancouver sees its future as a niche market. The Port of Vancouver is strategically located to take advantage of the unique relationships between water, rail and surface transportation routes, not only locally, but regionally. How the Port takes advantage of these relationships will determine the success of the Port. Eventual development in the Columbia Gateway is largely dependent upon the Port of Vancouver's ability to attract a marine-dependent industrial user or users for Parcel 3.

External Market Scan

As part of the master planning process, consultants performed an external market scan identifying global and regional trends and opportunities, in the context of Lower Columbia River ports and other industrial lands in the Vancouver-Portland metropolitan area. The Lower Columbia River Ports include the Astoria, Longview, Kalama, St. Helens, Ridgefield, Vancouver and Portland ports. This scan assisted in identifying the market niche for the Columbia Gateway properties (see Technical Appendices: Book I, Task 7, Exhibit 1).

The external market scan focused on the following topics:

- Marine Terminal Trends and Outlook
- Upland Industrial Trends and Outlook
- Composite Estimates of Industrial Land Demand
- Columbia River Ports Inventory
- Competitive Position of Columbia River Ports

In addition, the following six marine cargoes were analyzed:

- Auto cargo
- Breakbulk/Neo Bulk
- Dry Bulk
- Liquid Bulk
- Container Cargo
- Grain

Information pertinent to each of these categories from both the global and regional perspectives was obtained from a variety of reliable sources as a means of determining which markets the Port should consider the strongest and most promising.

Marine Terminal Trends and Outlooks

The Port of Vancouver has strengths in auto cargo due to the Subaru import account, in breakbulk cargo as a result of increased tonnage in recent years, and in grain. In other areas such as container cargo and liquid bulk cargo, the Port currently lacks some of the facilities required to be a significant player on the Lower Columbia River. The Channel Deepening Feasibility Study projects significant growth in grain exports over the next twenty years.

Upland Industrial Trends and Outlooks

The Clark County region has evolved its own diversified economic structure over the past two decades. As part of the Portland-Vancouver region, the Clark County sub-region has fared quite well. Major industrial groups include electronics, paper and related products, sportswear, processed tools, and food products.

With regard to employment, the strong economy in recent years is reflected in the county's employment numbers. Within the four-county metropolitan region (Clackamas, Clark, Multnomah, and Washington Counties), employment is just over 800,000, with Clark County representing 12.1% of the total job base. However, from 1980 to 1995, employment in both heavy and light manufacturing increased more rapidly in Clark County than in the region. This demonstrates the economic strength of the economy in the Clark County sub-region.

Demand for Industrial Land

The growth of employment can be directly translated into demand for industrial land. The Clark County Comprehensive Plan contains an estimate that approximately 2,300 acres of industrial land is needed over a 22-year timeframe (1991-2013). This results from an annual absorption rate of just over 100 acres per year. Adding a market factor of 50% results in a target figure of 150 acres per year, or a total of 3,000 acres of ready-to-build, prime industrial land needed over the next 20 years.

Capabilities and Inventories of the Lower Columbia River Ports

In the larger regional context of the Columbia/Snake River system of ports, the capabilities and inventories of the Lower Columbia River ports affect the marine terminal and industrial land potentials for not only the entire region but for the individual ports. It is important to note that five of the Lower Columbia River ports have marine cargo terminals suitable for use by ocean-going vessels, and all have varying degrees of capacity to develop industrial land for sale or lease.

Columbia/Snake River Ports

Ports on the Columbia/Snake River system serve a wide variety of purposes with an equally wide variety of facilities. The uses and facilities at these ports place the Columbia/Snake River Ports in an identifiable competitive position. The Port of Vancouver is in a favorable position relative

to the rest of the Lower Columbia River ports. In 1996, the Port captured 17% of all export/import tonnage, and is more diversified in terms of cargo types, than all ports in the region except the Port of Portland. While the Lower Columbia River Ports as a whole are heavily dependent upon exports, 14% of the Port shipments were composed of imports. This figure is second only to the Port of Portland's 18%. Because imports are often of higher value than the bulk export commodities, this 14% import figure for the Port of Vancouver is significant.

Internal Market Scan

An internal market scan focused on current characteristics and potentials within the Port of Vancouver itself. The purpose of the scan was to determine the Port's strengths and weaknesses and identify opportunities through which the Port might improve its position. The internal scan reviewed and assessed the following opportunities and constraints:

- Port of Vancouver Marine Terminals
- Regional Industrial Lands
- Clark County/Vancouver Industrial Lands
- Port of Vancouver Industrial Characteristics

Marine Terminals

The Port of Vancouver's marine terminals are diversified and competitive in their major cargo types. The capture of the Subaru account placed the Port within the group of competitive players for west coast auto-import business. As a strength for the Port, this may be somewhat offset by the saturation of the import market and the limitations on rail capacity. To expand auto import activity, related rail services to the Port must be expanded.

Successful marketing by the Port has also led to a stronger competitive position and a significant increase in breakbulk cargoes in recent years. Within the State of Washington, the Port manages an estimated 25% share of overall breakbulk. For a port that competes with larger facilities in Seattle and Tacoma, this is a major accomplishment. The Port's position is strengthened even further by the versatility of existing terminals and potential availability of adjoining land for upland development (represented by the Columbia Gateway).

Within the Columbia/Snake River Port system, the Port of Vancouver remains strong in spite of the excess capacity of existing breakbulk facilities at all ports. Competition between ports could lead to negative effects, especially when the market may be somewhat uncertain. The Port also might find itself weakened unless there are some terminal infrastructure improvements.

Excluding grain, dry bulks represent a substantial 50% of outbound tonnage and 62% of inbound tonnage. However, increased competition and the uncertainty of dry bulk markets may place the Port in a somewhat tenuous position. The Port may realize some improvement in the dry bulk business through increased marketing and greater use of the existing dry bulk facility. The

development of any new dry bulk facility would depend solely upon securing a long-term relationship with a high volume user.

Liquid bulk has fluctuated as an import commodity in recent years. Business at the present time is limited to chemical products, but it is possible that additional products, such as vegetable oil, may emerge. The Port is in a good position for additional liquid bulk business.

Presently, container cargo through the Port is very limited. No significant prospects for a substantial increase in this sector appears imminent. While the Port is capable of handling some container cargo, its limited handling equipment and facilities do not allow significant expansion of these services.

Unlike other Lower Columbia River ports, the Port of Vancouver may find itself in the position of having available land and waterfront resources upon which to expand into the container business. This opportunity could become reality if the right combination of circumstances present themselves, including but not limited to the deepening of the navigation channel, a willing container cargo user, development of Columbia Gateway Parcel 3, at least in part, as a container facility, the extension of the railroad to serve Parcel 3, and participation by the railroad in the development process.

Grain is the Port's "bread and butter," accounting for 76% of the its combined import and export tonnage. The availability of Columbia Gateway Parcel 3 could become a major factor in the Port's future ability to increase grain terminal service. With the increase of the grain transport that has resulted from the opening of the Canadian market, forecasts indicate that grain volumes will continue to increase. Although there currently is excess grain terminal capacity on the Lower Columbia, long term growth in grain shipments together with facility modernization may well drive investment in a new grain facility at one of the Lower Columbia River ports.

In actuality, the factors noted here may apply to any high volume dry or liquid bulk commodity arriving or departing by rail where more intense rail service and large land parcel requirements for storage and/or rail service needs exist. While grain may appear to be a major opportunity area for the Port, other commodities that possess these factors also should be strongly considered.

Regional Industrial Lands

As a result of the recent strong economy in the Pacific Northwest, the Vancouver-Clark County area and the entire Portland metropolitan region as a whole has a shortage of prime developable industrial sites. The Columbia Gateway may be the most attractive long term opportunity for industrial land development within the entire metropolitan region. Very few large industrial sites (e.g., those over 100 acres) exist due to build-out in the region. As more sites, both large and small, are absorbed, the per acre price of the available sites will increase. Rising prices and shrinking inventory threaten the ability of the region to meet the demand of expanding or relocating companies. For these reasons, Cowlitz County and the Longview-Kelso area in Washington, and Columbia County and the Woodburn-Salem area in Oregon are being

considered strongly as sources of industrial land. Because the Columbia Gateway offers features such as large parcel sizes and the deepwater access, the Port of Vancouver may be in a strong position to attract future tenants.

Inclusion of a developable Columbia Gateway could make a very significant difference in the availability of large industrial sites within the metropolitan region. Such availability could prove to be a major economic boon to the Vancouver-Clark County area, if few other sites are made available elsewhere on a more "close in" location. The potential economic advantage could mean numerous jobs and the opportunity to capture relocating large industries.

Clark County-Vancouver Industrial Lands

The *Clark County 20-Year Comprehensive Growth Management Plan* projects a need for 3,000 acres of prime or potential prime industrial land for the 20-year planning period. As of a 1996 study, only 15% of all Clark County's industrially-designated land, or 1,775 acres out of 12,239 acres, was currently classified as prime vacant industrial land. Therefore, the Clark County-Vancouver area remains more than 1,200 acres short of the designated target.

Clark County and CREDC (Columbia River Economic Development Council) have reported that, other than the Columbia Gateway, the only available industrial sites are located within business parks or light industrial areas, and are all zoned for light industrial use. This means that the Vancouver/Clark County area has no land--other than the Columbia Gateway—that is available for heavy industrial use, or with waterfront access, for marine-dependent industrial possibilities.

Industrial Characteristics

As a major opportunity for heavy industrial users, and the only new opportunity for marine-dependent industrial users, the Port of Vancouver plays a critical role in the economy of Clark County and Vancouver. Sixty percent of the Port's tenants are heavy industrial users, probably more than any other multi-tenant industrial landlord in the area.

In terms of vacant and available industrial lands, the Port's Columbia Gateway comprises a significant portion of Clark County's industrial land inventory. Parcels 3 and 5, or the two properties that are most likely to be developed for industrial purposes, total approximately 900 acres.

Considering the potential availability of utilities and services to the properties, Parcel 3 is classified as prime industrial land and Parcel 5 is considered marginal industrial land. At this time, neither Parcel 3 nor Parcel 5 is served with the utilities and services necessary for industrial development. In addition, both Parcels 3 and 5 are below the flood elevation levels required for development.

Summary of Strengths and Weaknesses

The Port exhibits the following strengths:

- A diversified growing port
- Multi-modal transportation services are directly available
- Owns major share of Clark County's vacant, developable, industrial land inventory
- Financially strong
- High labor productivity

Weaknesses are characterized by:

- Some existing terminals need improvements
- To some extent, the preference for leasing versus sale of industrial land limits marketability of properties
- The environmental sensitivity in the Columbia Gateway project area could increase costs and affect total amount of land available

These strengths and weaknesses do, in some cases, balance themselves. In other cases, one may overshadow the other resulting in either a stronger or weaker competitive position relative to other industrial development opportunities.

The full report (Technical Appendices: Book I, Task 7, Exhibit 1) profiles marine and upland potentials as an overview of each activity. These profiles present information relative to the variety of cargo types that the Port manages, summarize the Port's position, and analyze future potential for the Port of Vancouver.

This project included the review and analysis of issues that will be critical to fulfilling the Port's mission statement and justifying the development of the Columbia Gateway. Technical information was developed regarding the deepwater access to Parcel 3 as a key to the future development and use of what may be considered the most important part of the Columbia Gateway. Though a large physical land base is certainly a major asset, the key to developing the Columbia Gateway and meeting the Port's mission statement is deepwater access.

A preliminary sedimentation analysis of the river adjacent to Parcel 3 showed that it is feasible to locate certain types of marine terminals there. However, for successful marine use the initial and follow up maintenance dredging costs suggest that a high volume marine user is needed to generate the required funding to support these costs. In addition, berths would have to be between 200 and 400 feet or further offshore because of the need to access deep water (-40 feet) and the likely permit conditions regarding shallow water habitat. This would focus interest to uses such as grains, bulks and heavy marine-dependent industrial operations that can accommodate offshore docks and be economical in a competitive market.

A possible exception to these circumstances would be a more near shore berth and terminal that could be developed if adjacent upstream property could be integrated into the overall development. Upstream, the water is deeper close to the shoreline, meaning the likelihood of reduced costs of structures, dredging and maintenance.

Experience of the project team in other port development projects indicates that grain and bulk users would require approximately 125 acres for a single rail access loop and up to 175 acres for double rail access loops. Parcel 3 is clearly able to accommodate situations where either one or two loops can be developed, depending upon the needs of the specific users. In general, heavy marine-dependent industrial users may require in the range of 75 to 150 acres, without rail loop access, while in extreme cases, a single user may require upwards of 400 acres, either with or without rail loop access. However, it is believed that most large marine-dependent industrial users requiring marine access will also require some form of rail access. Therefore, for the purposes of this project, it was concluded that any large marine-dependent industrial user must have rail access in order to operate successfully.

Of course, a higher concentration of rail service as unit trains and appropriate access will be necessary for high volume grain and bulk users. This factor is critical when considering future service to the Columbia Gateway from the existing service termination points on Parcel 1.

Based on these requirements, upstream and river frontage areas of Parcel 3 should be reserved for heavy marine-dependent industrial users, while smaller areas adjacent to SR 501 should be reserved for smaller industrial users.

VIII. Preparing for Development: Fill Plans

The Lower Columbia River ports proposed deepening the Columbia River navigation channel to -43 feet and the U.S. Army Corp of Engineers is determining a federal interest in the deeper channel through a feasibility study. The deepening project would contribute to the viability of the Lower Columbia River ports in the competitive world market.

The first phases of an Army Corps of Engineers proposal to deepen the navigation channel of the Columbia River has set off a "chain reaction" planning process for the ports in the Lower Columbia River region. Ports are planning both for the benefits of the deeper channel from the Interstate Bridge to the mouth of the river at Astoria, and for where and how to use the estimated 17 million cubic yards of dredged fill materials that will be taken from the river during the deepening project. Additionally, Ports need to plan for dredged materials gathered during maintenance of the channel.

The proposed plan to deepen the navigation channel from 40 to 43 feet will permit a newer and larger class of "Panamax" ships to navigate the river upstream to the Portland and Vancouver ports. These vessels are the new generation of ships being used for world trade primarily between the west coast ports and Asia. Existing bulk commodities, including grain, are moving in Panamax ships which require the deeper channel for year round use of the channel at design drafts.

The Corps of Engineers has been conducting studies for several years regarding the cost, feasibility and acceptability of the channel deepening. Once these studies and the EIS related to the Corps project are complete, the proposed deepening is approved, permits and approvals have been obtained, and funding is in place, dredging would begin in 2002 or 2003, and would continue for several years.

The Port of Vancouver, recognizing that the Columbia Gateway is almost entirely below the flood elevation designated by the Federal Emergency Management Administration (FEMA) as developable, determined it could use one quarter of the dredged materials, or approximately 5 million cubic yards. This material, if spread throughout Parcel 3, would elevate somewhere between 170 and 190 acres of Parcel 3 to 30 feet mean sea level (MSL), or approximately two and a half feet above the determined flood elevation. This would allow development of Parcel 3. The balance of Parcel 3, or approximately 250 acres, could be filled in later years with materials dredged from the river and as part of on going annual channel maintenance or from other sources. Although portions of Parcel 5 were previously filled, some parts of the topographical elevation may still need to be raised. Raising Parcel 5 above flood elevation would result from the use of materials from maintenance dredging and from any on site materials relocated during the mitigation phases and resource enhancement activities in the area of from other sources.

River Frontage and Access

Of the three Columbia Gateway parcels, only Parcel 3 has any direct river frontage and access. This frontage and access runs its entire length along the river, or approximately 4,800 feet from the southerly property line to the edge of the flushing channel. Some of this frontage is relatively shallow, potentially limiting its use as mooring or docking frontage. A bathymetric survey map illustrates that the –20 foot contour ranges from approximately 400 feet offshore at the south end to approximately 700 feet offshore at the north end adjacent to the flushing channel. The –20 foot contour is important because it is the depth required for barge use. It is also the maximum depth at which the shallow water habitat is currently designated as critical habitat for sockeye and chinook salmon by the National Marine Fisheries Service. Thus, any dredging to create berthing for vessels cannot encroach within this depth. Determining which portions of Parcel 3 are suitable for marine-dependent use, such as a barge deep draft shipping terminal with shoreside loading and storage facilities, depends on this consideration.

Need for a Fill Plan

If the deepening project goes forward, the Corps' obligation is to dredge the navigation channel and deposit the dredged materials on designated upland sites. The lower Columbia River Ports, as sponsors of the channel deepening project, can and have submitted "Sponsor Preferred Plans" which more nearly meet these long-range objectives. The Corps is not obligated to spread the material over areas in order to benefit individual ports or property owners. Thus, the Corps itself has developed a fill plan that avoids wetlands as much as possible and does not consider economic development or other long-term, beneficial uses. The primary factors considered by the Corps in its plan were cost and environmental impact.

In order for any development and/or construction of structures to occur, the topographic elevation of the land must be raised to an elevation of at least one foot above the flood elevation. Since, at this time, the designated flood elevation is 27.5 feet MSL, minimum elevation for construction purposes would be 28.5 feet. The Port has determined that the most suitable elevation for development purposes would be 30 feet MSL. Therefore, any portion of the Columbia Gateway that would be designated for development through the master plan must be filled to this elevation.

On Parcel 3, this would be an average fill depth of approximately 20 feet (from the existing topographic level of 10 feet MSL). On Parcel 5, the fill depth would be approximately 8 to 10 feet. Parcel 4 is not being considered because of its proximity to Vancouver Lake Park, its long narrow shape, and its partial separation from Parcel 5 by Buckmire Slough. These factors create a number of practical problems that may be difficult and costly when considering the future development of Parcel 4.

Overall, approximately 12 million cubic yards of total fill is required to raise the topographic elevation of all of Parcels 3 and 5 to 30 feet MSL. Approximately eight to nine million cubic

yards is required to fill the entire 500 acres of Parcel 3 to this topographic elevation, while Parcel 5 requires approximately three to four million cubic yards to complete the raising of topographic elevation to 30 feet MSL. If something less than the maximum area of both Parcels 3 and 5 are to be filled for development purposes, then the total amount of required fill would be less than this estimate.

IX. Alternatives

The intent of the planning process was to provide the Port with alternative fill plans for the use of the dredged materials. This involved review of potential uses for Parcels 3, 4 and 5 of the Columbia Gateway. Numerous factors were taken into consideration in order to determine the best and most appropriate uses for these parcels.

Alternative 1

As partners, the Corps requested that the seven Lower Columbia River ports prepare alternative fill plans on upland dredged materials disposal/fill sites. These alternative fill plans were to have the least environmental impact on the land and the least economic cost to the Corps, regardless of any desires by the ports to eventually utilize the fill material for their own purposes. The Corps and the Port Users Group identified both disposal/fill sites and mitigation areas to address adverse environmental impact resulting from the disposal/fill process. For purposes of this plan, this alternative is identified as Alternative 1, and may be referred to as "the Corps' alternative."

For the Port of Vancouver, two sites on Parcel 3 were identified where disposal/fill could take place. These two sites totaled approximately 105 acres in surface area where the proposed 5 million cubic yards of dredged materials could be placed. As planned for these two disposal/fill sites on Parcel 3, the material would be piled to a depth of 47 feet MSL, or approximately 37 feet high. Side slopes of the piles would be at the greatest possible angles to permit total fill within the identified footprints of the two sites.

The Corps would conduct the EIS for the two disposal sites within Parcel 3, but the Port would be required to obtain all required state and local approvals and permits.

Since the disposal/fill sites would be only for the purpose of disposing of the dredged materials from the channel deepening project, and the Corps has no obligation to the participating ports to spread the fill, the disposal/fill sites as identified on Parcel 3 have minimal economic benefit to the Port of Vancouver. The piles of dredged material within the identified parcels' footprints would be undevelopable as placed. Nevertheless, the Port would realize some economic benefit just from receiving 5 million cubic yards of fill material. This material could be used by the Port to later spread on the adjacent areas to raise the topographic level of Parcel 3. According to an agreement between all ports and the Corps, location of disposal sites is a port responsibility. The material would be nearly cost free to the ports, which would then be responsible for moving, relocating or spreading the fill from the large piles at their expense. The Port also would be responsible for any other required regulatory actions, including an EIS for filling of additional lands.

Alternative 2

This alternative proposes that Parcel 3, because its current zoning by the City of Vancouver and the historically accepted view of it as the key to economic development for the city and county, be wholly developed and utilized for marine-dependent, marine-related industrial uses. This would result in 499 gross acres for such development. Wetlands, sloughs and any habitat areas would be filled to allow maximum economic development.

The primary limit of development would be the northerly boundary of Parcel 3, where it meets the flushing channel. Infrastructure constructed on Parcel 3 to allow marine-related industrial development, such as roads, railroad spurs, sanitary sewer, water, and utilities such as natural gas lines, would not be extended beyond (north) of the flushing channel. Parcels 4 and 5 would not be developed and would be reserved exclusively for open space, mitigating the loss of approximately 70 acres of wetlands from Parcel 3.

Road access to Parcel 3 could be at any point along its frontage with State Route 501 (SR 501). Rail access would be gained from extension of the existing rail facilities currently serving Parcel 1A to the south of the Vanalco property, across the vacant land still under the ownership of Alcoa and the corner of the Clark PUD Co-generation site, and across the easternmost edge of Parcel 2 adjacent to SR 501.

With this alternative, all 499 gross acres of Parcel 3 would be used for development, and all of Parcels 4 and 5 would used as open space and for resource enhancement and wetlands mitigation. There would be no treatment or enhancement of the flushing channel with this alternative, and no wetlands or sloughs would be connected.

Alternative 3

In this alternative, approximately 260 acres of Parcel 3 is developed for marine-related uses. Industrial uses would occupy the remaining portion of the net developable portion of Parcel 3 (approximately 170 acres). Adjacent to this large block of industrial land would be a preserved and revitalized wetland/slough resource directly adjacent to SR 501.

Road access to Parcel 3 would be from SR 501 at points north of the existing Vanalco access road, with access to the main portion of Parcel 3 to the north of the recycling facility. Rail lines would be extended from the existing terminus on Parcel 1A across the vacant property owned by Alcoa, across the corner of the Clark PUD property and along the easterly edge of Parcel 2, directly adjacent to SR 501. A detailed study indicates it is not feasible to bring rail access along the west side of Parcel 2, or across Parcel 2 at any location. This leaves the easterly edge of Parcel 2, adjacent to SR 501, as the only feasible route for rail access to Parcel 3.

Within the area designated for marine-dependent or marine-related uses, a one loop track for unit trains could be developed under this alternative, bearing in a north-south direction, parallel to the

river. This would occupy about 175 acres. The balance of the marine portion of the parcel would be large enough for a few moderately sized industrial sites (e.g., 20-30 acres each), but with limited potential for more than one large industry, on the entire 260 acre marine industrial portion of Parcel 3. Approximately 430 net developable acres would occur on Parcel 3 under this alternative.

The potential use of river access and frontage for both deepwater and barge berthing would exist, but perhaps to a lesser degree due to the limited area for marine-dependent and marine-related uses proposed in this alternative. The need for and level of river access would be determined by the users of this portion of Parcel 3.

The 170 acres designated for industrial development on Parcel 3 would support sites ranging in size from 5 to 25 acres, in a variety of configurations depending upon the market at the time of development. The uses on this portion of the property could support the marine-dependent or marine-related businesses located on the adjacent portion of the parcel. The two areas (marine and industrial) could be separated by a road that would serve users on both sides. This street may, or may not, cross the flushing channel to provide a connection to the light industrial area north of the flushing channel. If the road crossed the flushing channel, use of a bridge or culvert-and-fill system would be necessary. Otherwise, the road could either loop on the property, or reconnect back to SR 501 near the flushing channel. Access to Parcel 5 would be accomplished from SR 501 at approximately the same point where Lower River Road now intersects SR 501 on the north side of the flushing channel.

Parcel 4 would remain as a mitigation and resource parcel, while Parcel 5 would be partially developed for light industrial uses in accordance with current zoning by the City of Vancouver. Approximately 250 acres of the 400 acres contained within Parcel 5 would be developed for a mix of office, warehouse, flex space and support commercial uses. The remaining approximately 150 acres would be used for mitigation and resource preservation and a small boat basin. Light industrial development on Parcel 5 would be characterized by lower height (mostly one and two story) structures, extensive use of buffers and open spaces between structures, and use of vegetation and water as amenities.

Two of the most interesting features of this alternative could be a small boat basin just off the flushing channel, and a reconfiguration of the flushing channel to enhance its habitat and recreation values. Wandering shorelines on both sides, as opposed to the existing straight-line shorelines, would provide the opportunity for natural resource enhancement and aesthetic appreciation of the channel that is currently a long, fenced ditch with no public appeal or use. This treatment of the flushing channel, coupled with the pathway planned by the Vancouver-Clark Parks Department to connect Vancouver Lake Park with Frenchman's Bar Park, could result in creation of significant public feature where none currently exists.

A small boat basin provided just off the mouth of the flushing channel, may allow use by small, non-motorized boats as a navigation route, at least up to the point where SR 501 crosses the channel. This small boat basin may also serve as a way-point along the trail between the two parks, integrating the trail with the water features of the area.

An important feature of this alternative is that it would provide for preservation and enhancement of the slough and wetland area on Parcel 3 adjacent to SR 501. Historically, this slough and wetland area were larger than at the present time. Construction of the current alignment of SR 501 effectively cut off this area from Vancouver Lake. Similarly, Buckmire Slough, separating Parcels 4 and 5, would be reconnected with the sloughs on Parcel 3 via a connection with the flushing channel and water control structure. These important connections could provide the sloughs with a supply of fresh, cold water, leading to the potential improvement of habitat and wetlands. These proposed alterations to the flushing channel must be designed to be compatible with plans to provide additional water to the Shilapoo Lake restoration area, and to avoid impacting water circulation in Vancouver Lake and fish stocks.

Restoration of this area on Parcel 3 as a buffer between the industrial development anticipated on the balance of the parcel and SR 501, and connected to the reconfigured flushing channel and Buckmire Slough, could have significant resource opportunities. This restored and enhanced area of Parcel 3, approximately 400 feet in width and 6,200 feet in length, could be an important link with the natural resources of the Vancouver Lowlands. This opportunity, when combined with Buckmire Slough on the north side of the flushing channel, raises exciting resource enhancement prospects.

In Alternative 3, approximately 50 of the 90 acres of wetlands on Parcel 3 would be filled, preserving the easterly 57+ acres adjacent to SR 501 for enhancement. All of Parcel 4 (112 acres) would remain undeveloped, and approximately 130 acres of Parcel 5 would remain undeveloped. All of the undeveloped acreage on Parcels 3, 4, and 5 (approximately 300 acres) would be available for mitigation through restoration, creation and/or enhancement of wetlands.

Alternative 4

This alternative is substantially the same as Alternative 3 except that the entire net development area of Parcel 3, approximately 430 acres, would be designated for marine-dependent and marine-related industrial uses, in order to maximize the potential of recovering the cost of providing rail service. This would allow for either two loop tracks for unit trains, both in an east-west orientation, or a combination of one loop track and one or more spur loading tracks, all in an east-west orientation. It also would be possible to have just one loop track in either a north-south orientation parallel to the river or in an east-west orientation with no spur loading tracks. Another alternative may be no loop track, but one or more spur loading tracks in any directional orientation. Alternative 4 would provide more flexibility in the development patterns on Parcel 3 than any other alternative.

Parcel 5 would be developed in the same manner as Alternative 3—a combination of light industrial uses and resource protection/mitigation. This alternative would include improvements to the flushing channel and the creation of the small boat basin. No new road would be proposed to cross the flushing channel between Parcels 3 and 5, as is proposed in Alternative 3. An access road to Parcel 5 would connect to the existing SR 501 alignment.

As with Alternative 3, this alternative would provide for mitigation on the east side of Parcel 3, adjacent to SR 501. As with Alternative 3, this alternative would include no development on Parcel 4. And as with Alternative 3, Buckmire Slough would be connected via water control structures at the flushing channel to the slough preservation area of Parcel 3 located adjacent to SR 501. This alternative would yield the same acreage for development and resources use as Alternative 3.

Alternative 5

This alternative is the "no action" alternative: the Port would leave the entire Columbia Gateway in an "as-is" condition, not accepting the 5 million cubic yards of dredged materials from the channel deepening project. There would be no expense to the Port and the public for any development or use of the property. Essentially, the Port would "write off" its investment made through the purchase of the entire Columbia Gateway.

This alternative would restrict the Port's ability to expand beyond its current industrial land base, virtually entirely developed and built out. For the Port to fulfill that portion of its mission statement that refers to economic development ("To provide economic benefit to the community by developing and operating facilities and services, industrial and non-traditional uses"), it would have to purchase land and development opportunities elsewhere. Furthermore, removal of Columbia Gateway acreage from the county's industrial land base would require revisions to local jurisdiction growth management plans in order to provide replacement of required industrial acreage elsewhere in Clark County. This replacement would likely require rezoning from residential, agricultural, or open space designations to that of heavy and light industrial.

Impacts

The five alternatives discussed above have differing impacts and different areas of consideration.

While Alternative 5, the "no action" alternative, has the least amount of impact on existing resources, and has the least amount of cost associated with it, it also has the least amount of economic return and benefit to the Port and the community. It produces no jobs and essentially forces the Port to find a land base elsewhere which must be purchased and developed, leaving in question the value of its investment in the Columbia Gateway.

It would also hurt the county and the city in their compliance requirements for the state's Growth Management Act. This alternative would result in the Port's not acting in a manner consistent with GMA. By targeting 800 net developable acres in the area of the Columbia Gateway for industrial use, the GMA has pointed to these properties as a major contributor in helping the city and state address economic development.

Pursuing this alternative means that the Port of Vancouver, as a participating sponsor of the channel deepening project, would fail its commitment to the Corps of Engineers and to other ports of the Lower Columbia River system as it would not assume its share of responsibility for managing the dredged materials taken from the river as part of the proposed channel deepening project.

Alternative 2 has greater impacts on the wetland and habitat communities of the area because all of Parcel 3 is filled and developed. As noted previously, Parcel 3 contains approximately 90 acres of wetlands. The trade-off is that all of Parcels 4 and 5 would be left untouched by development, and could be used for open space, mitigation, wetland and habitat re-creation and enhancement. This alternative does not require a crossing of the flushing channel.

The development of 499 gross acres on Parcel 3 would contribute to the GMA target of 800 acres in the Columbia Gateway project area be "industrial." However, it would leave a deficiency of approximately 300 acres. This potential deficiency may require a re-examination of the region's plans for future industrial land.

On the more positive side, the use of Parcel 3 for marine-dependent and marine-related industrial development, with waterfront access providing berthing facilities for both large vessels and barges, achieves a goal of the Port to expand its marine-based operations. This alternative also provides the opportunity for rail service in a variety of configurations. Considering the market trends and economic forecasts provided as part of this project, this alternative provides opportunities for the Port to take advantage of potential market niches in the Lower Columbia River port system.

Alternative 3 and Alternative 4 are very similar in use of the area. Both propose the use of approximately 680 acres for industrial development, 20 acres for development related infrastructure, 20 acres for a small boat basin, 10 acres for the expansion of the flushing channel, with the remaining 300 acres for natural resource preservation and enhancement.

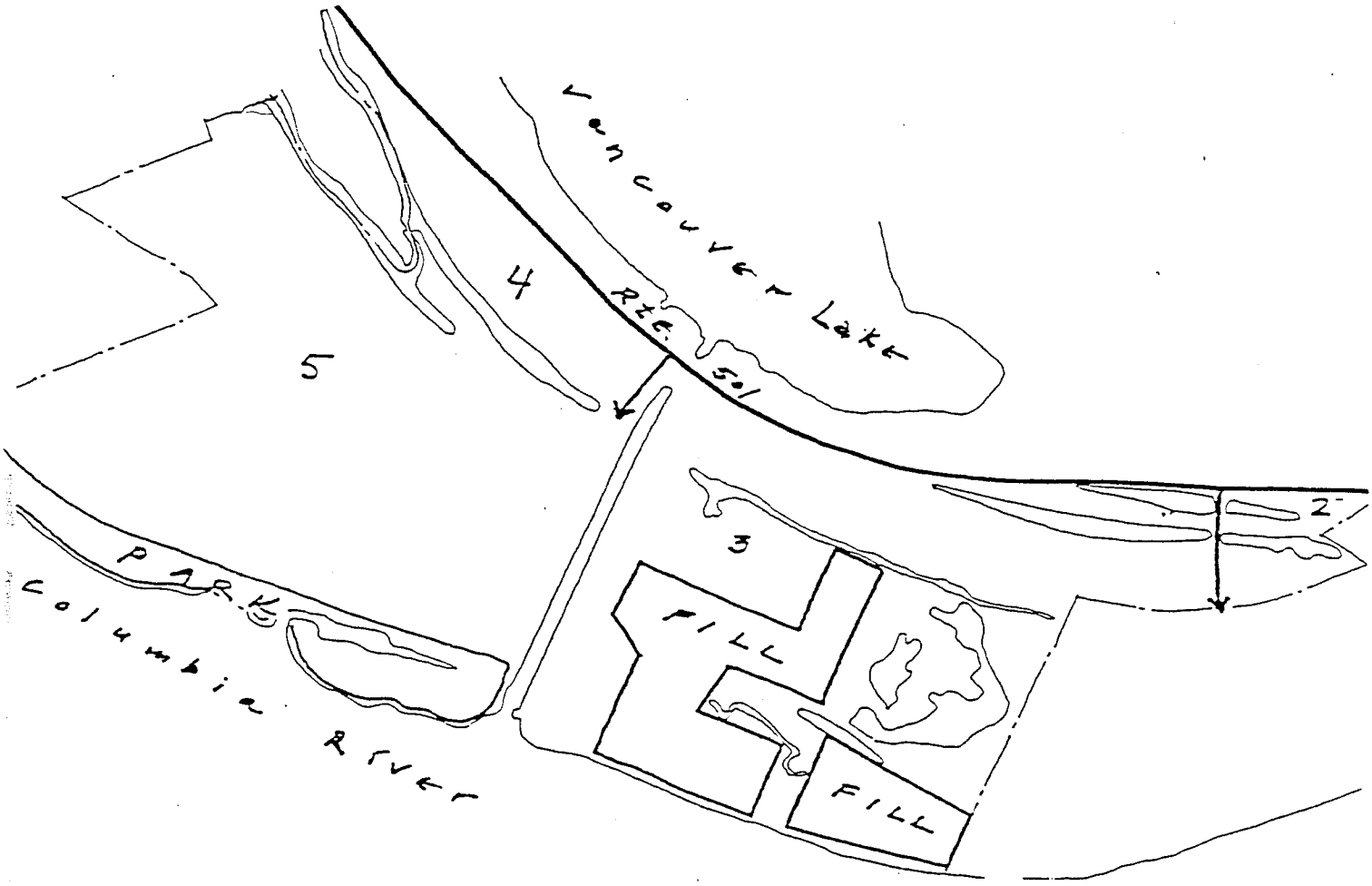
Both alternatives propose the use of the waterfront for berthing facilities for large vessels and barges. Both alternatives provide for rail service in a variety of configurations. Both alternatives provide for an enhanced flushing channel and a resource buffer area between the industrial development and SR 501. And both alternatives provide for approximately 250 acres of light industrial development area on Parcel 5.

The real differences between these two alternatives are found in the proposed separation of uses on Parcel 3 (i.e., marine industrial vs. industrial), the potential road through Parcel 3 which may act as a divider between types of industrial uses, the possible crossing of the flushing channel by this road providing for a new connection and access to Parcel 5, and the overall cost of the development proposals. Alternative 3 will be more costly than any other alternative, and will require a greater level of development. Further, Alternative 3 reduces the potential area for marine-dependent or marine-related uses on Parcel 3.

While Alternatives 3 and 4 were reasonably similar in character, the primary difference is the relative emphasis on marine-dependent or marine-related industrial uses on Parcel 3. Because Parcel 3 may be the only available parcel within the entire Vancouver-Clark County region with heavy industrial zoning, with usable water frontage and deep water berthing potential, the importance of Parcel 3 as a marine industrial parcel can not be either overlooked or overemphasized. Maintaining such a parcel in the region's industrial land base would be a positive factor for the Port in its efforts to continue development of the marine industrial land base, as the Port's *Strategic Plan* sets forth. Protecting the future of Parcel 3 is viewed as critical to the Port's future development.

It should be noted that with the "MH" or Heavy Industrial zoning by the City of Vancouver, Parcel 3 could be used for a wide variety of industrial uses, light and heavy. The pyramid nature of the city's zoning ordinance allows uses from less intense industrial zones to be included in the list of allowable uses in more intense zones.

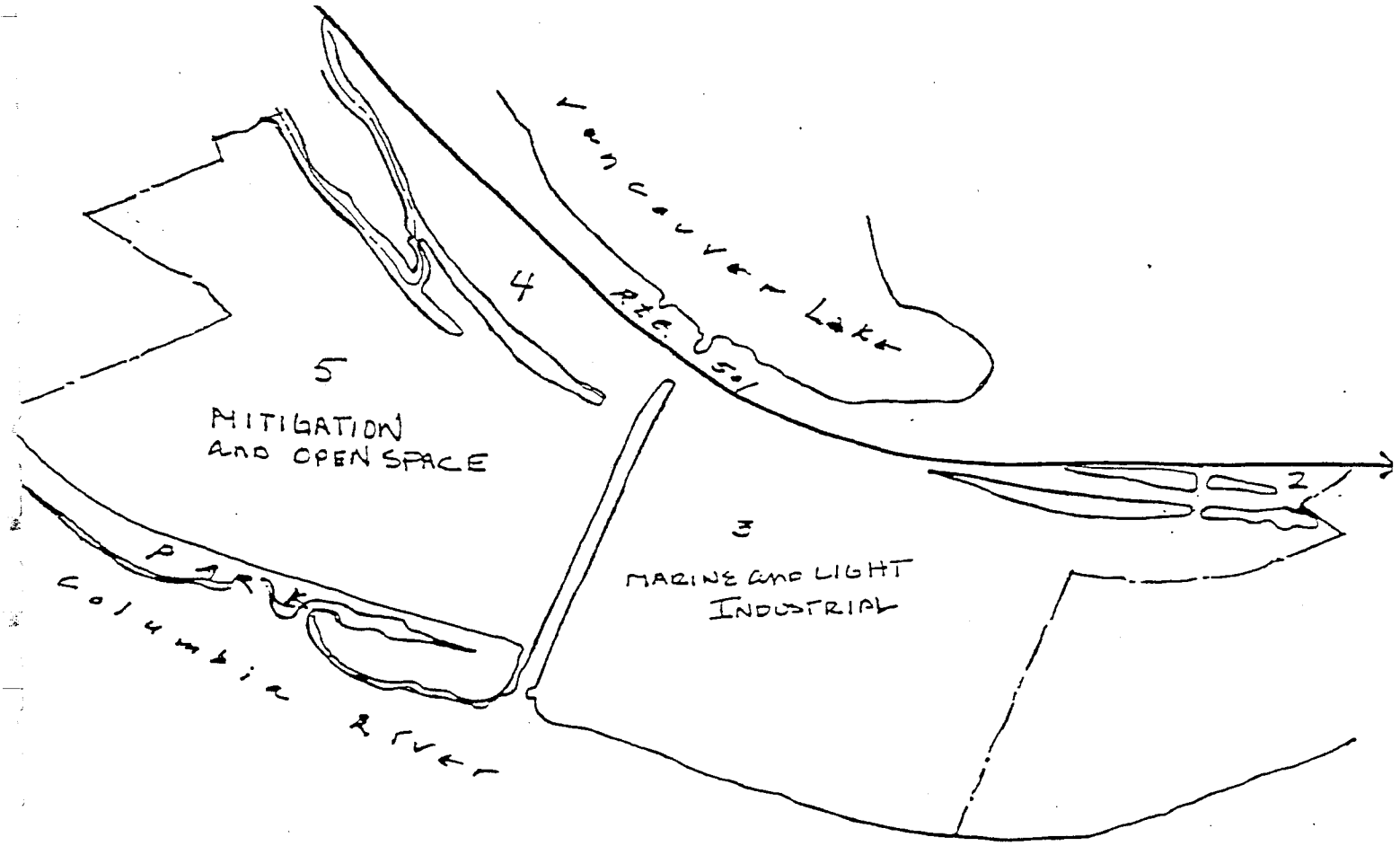
The impacts of each of the alternatives must be considered in view of the individual results they produce. Each alternative provides for different benefits. Each alternative, therefore, must be evaluated against a set of criteria that will lead to a rational decision on a preferred alternative.



ALTERNATIVE 1

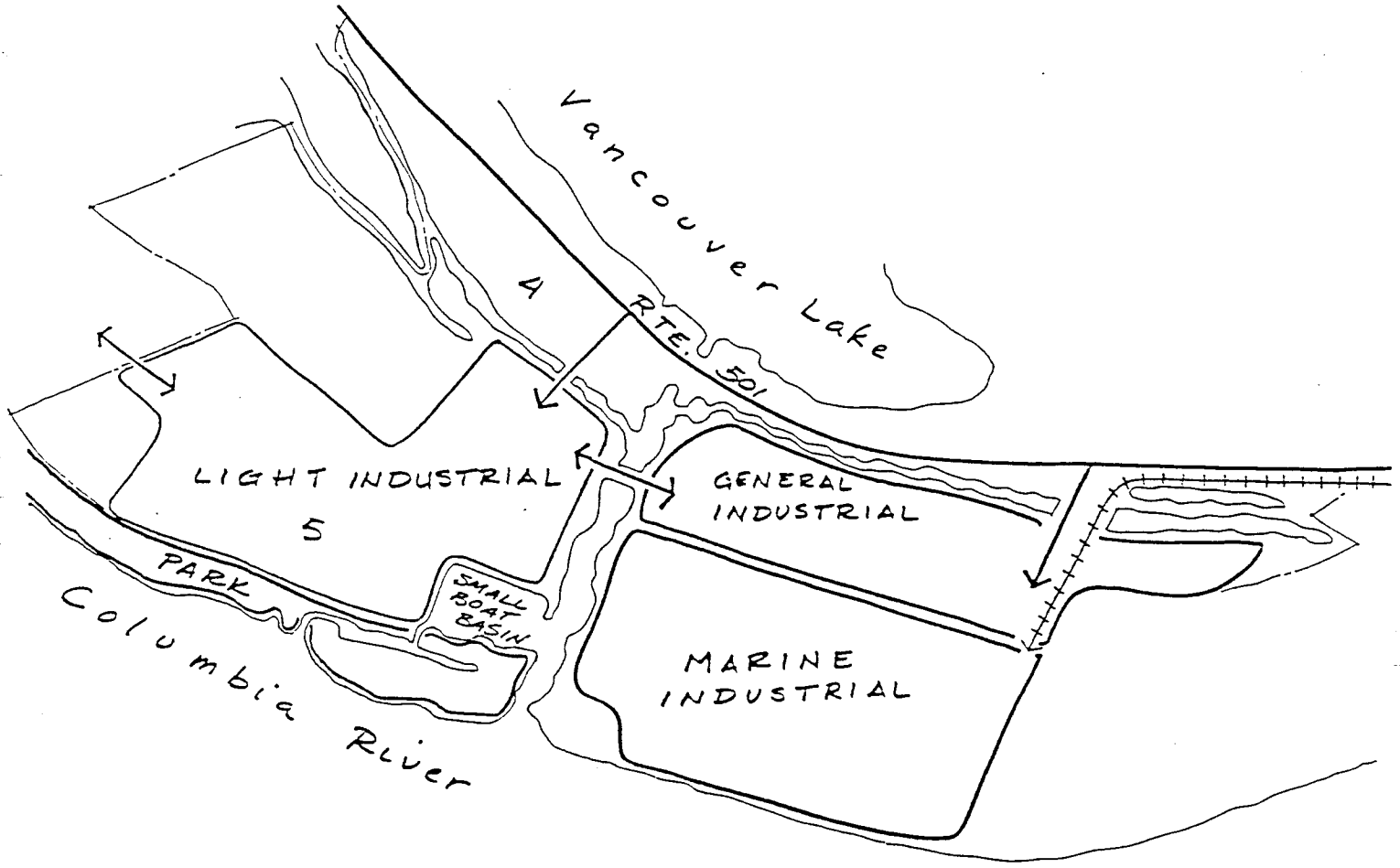
Enclosure 3

84



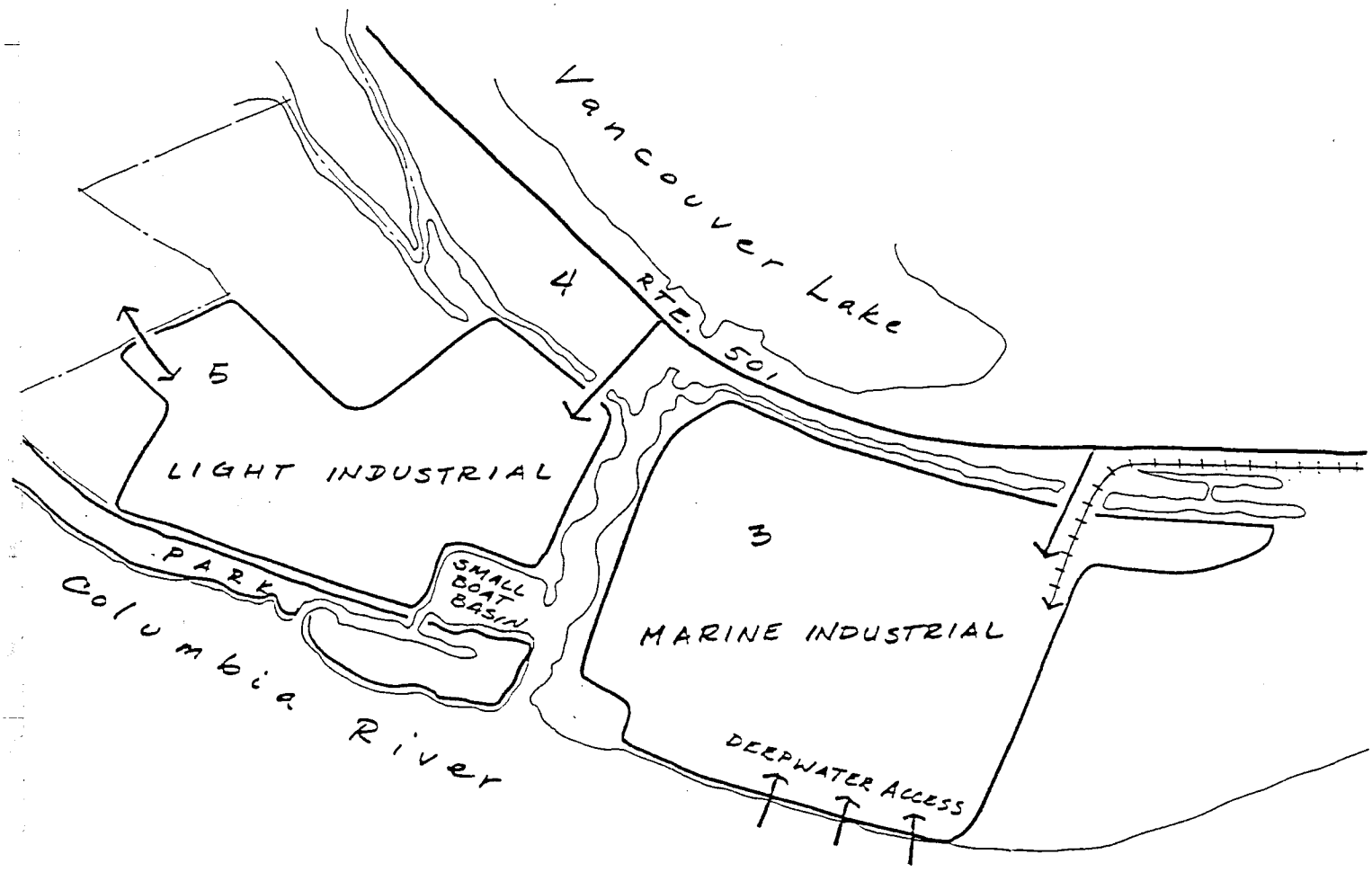
ALTERNATIVE 2

Enclosure 3



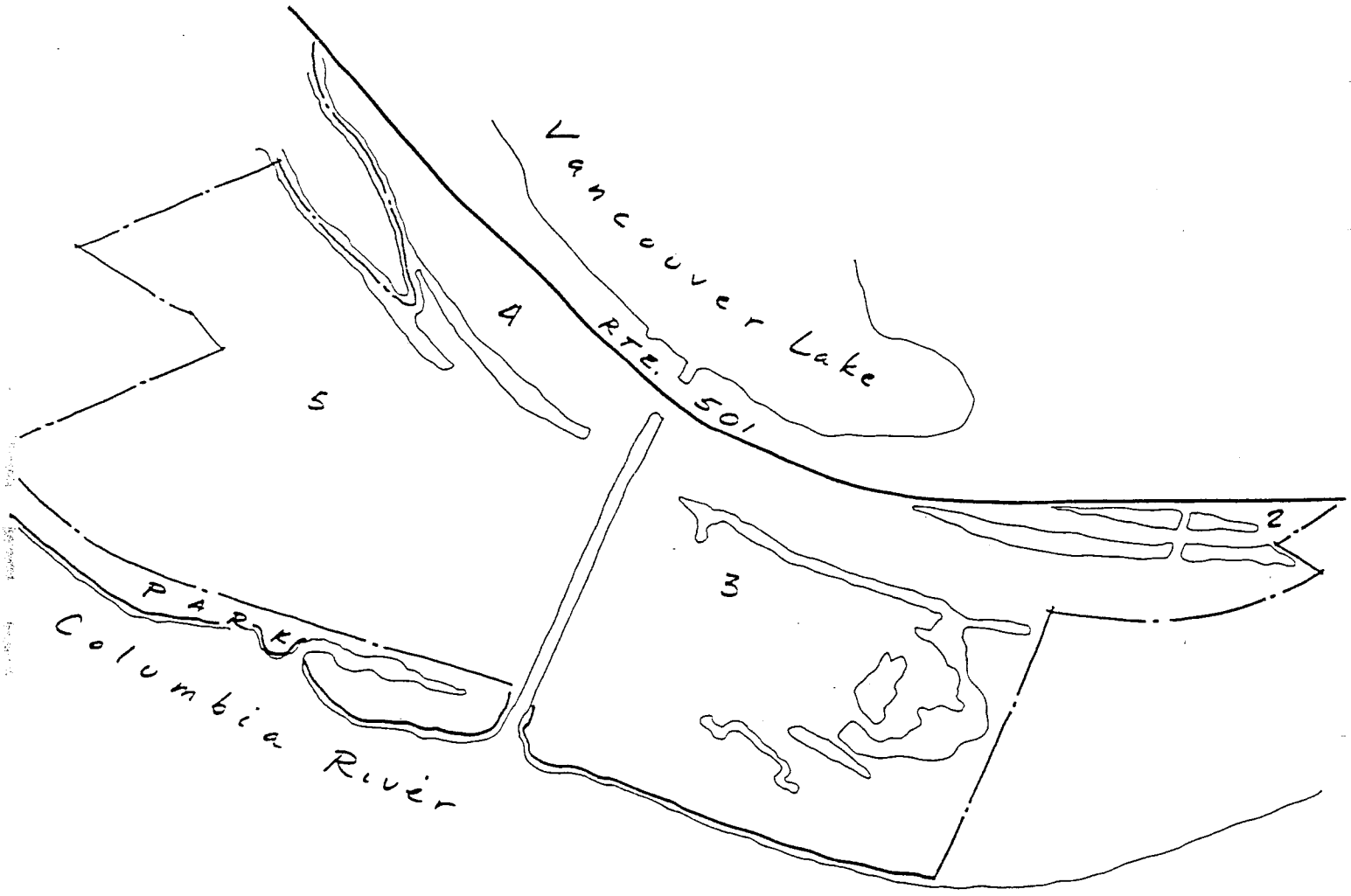
ALTERNATIVE 3

Enclosure 3



ALTERNATIVE 4

Enclosure 3



ALTERNATIVE 5

Enclosure 3

X. Developing the Preferred Alternative

Ranking the Alternatives

The initial tasks for this plan resulted in the development and collection of large amounts of background information. Once developed and assembled, it provided the basis for establishing a set of criteria upon which each of the alternatives was reviewed and evaluated. From this a preferred alternative was chosen.

Consulting team members created a set of screening criteria specific to their area of expertise and roles in the project. For example, ICF Kaiser Engineers provided a set of criteria related to transportation, while E.D. Hovee & Company provided a set of criteria related to economic feasibility. The team produced six memoranda setting forth 10 sets of criteria (see Technical Appendices: Book II, Task 9, Exhibit 2). The 67 individual screening criteria fell into these 10 categories:

- Impacts to wetlands and waters
- Off-site alternatives
- On-site alternatives
- Marine structures
- Upland fill
- Economic considerations
- Transportation
- Civil engineering
- Marine Terminal Development
- Land use planning
- Site development

These screening criteria were compiled into a master set of screening criteria against which each alternative could be evaluated (see Technical Appendices: Book II, Task 9, Exhibit 1). By combining the criteria, the alternatives could be judged on the collective opinion of the consulting team, not just the opinion of individual consultants.

Finally, instead of numerically ranking each alternative against the criteria, the five alternatives were simply judged on whether they met the specific criteria or not. Each alternative was "checked off" if it met a criterion, left blank if it did not. No weights were applied to the criteria. The alternative that met the greatest number of criteria would be ranked as the most favorable. A matrix showing all the criteria and the results of the evaluation can be found in the Technical Appendices: Book II, Task 9, Exhibit 3.

The alternatives "settled out" in a rank order, as follows, from the most desirable to the least desirable:

1. Alternative 4 – industrial development on both parcels 3 and 5, with emphasis on marine-dependent and/or marine-related industrial uses on Parcel 3

2. Alternative 3 – industrial development on both Parcels 3 and 5, with emphasis on mixed industrial uses on Parcel 3

3. Alternative 2 – no development north of the flushing channel

4. Alternative 1 – the Corps plan

5. Alternative 5 – the "no action" alternative

Selecting a Single Alternative

The process that led to the preferred alternative required narrowing the number of alternatives. Based on the screening criteria, the three most favorable easily separated from the two less suitable and desirable alternatives. Alternatives 1 and 5 clearly do not meet the Port's needs, goals, or objectives, and furthermore, they rank the lowest according to the screening criteria. As a result, Alternatives 1 and 5 were eliminated from further consideration, leaving Alternatives 2, 3 and 4 for further consideration (see Technical Appendices: Book II, Task 15, Exhibit 1).

According to the screening criteria, Alternative 4 ranks highest, with Alternative 3 next and Alternative 2 following. In the final analysis, each of these three alternatives are likely to work for the Port and the community, but each produces different results. The three alternatives have different costs for development and different time schedules for development and full build-out.

In work sessions with Port staff, the consultant team reviewed the three alternatives in order to arrive at a single preferred alternative. Significant discussions covered all of the important factors to be considered, including long term land development costs, return on investment for the Port, the future role of the Port in the land development process, the opportunities for development as a niche port, values added to existing natural resources, site development aesthetics, recreational opportunities, in-water berth development, and other significant issues. The group decided that the preferred alternative master plan ought to retain as much flexibility as possible and, following the environmental impact statement process, be able to obtain permits and approvals.

Recognizing that the Port's future expansion of uses or diversification of economic development opportunities rests with the Columbia Gateway, Alternative 2 was set aside because it would not provide enough overall development opportunities to achieve the basic goals and needs of the Port. Alternative 2 provides the least economic development opportunities for the Port and, in addition, does the least to meet GMA goals and requirements. In terms of filling wetlands at

Columbia Gateway. Alternative 2 actually proposes to fill more wetlands than any other alternative. Filling all of Parcel 3, including wetlands and sloughs, is proposed only in Alternative 2. Limited returns to the Port and the loss of development opportunities on Parcels 4 and 5, mean the reconfiguration of the flushing channel or the creation of the small boat basin would not be economically viable. Overall, Alternative 2 is limited in its values for economic development and recreational opportunities, as well as enhancement and restoration of natural resource values. It was determined that this alternative did not fulfill the Port's goals for either economic development or the best environmental stewardship opportunities. Therefore, Alternative 2 was removed from final consideration.

This left Alternatives 3 and 4 as the final two alternatives for consideration. These two alternatives, as previously discussed, are very similar in character. Neither suggest development of any type on Parcel 4, while both propose the same level of light industrial development on Parcel 5 and the same overall acreage for industrial development on Parcel 3. Both alternatives propose to leave approximately 57 acres adjacent to SR 501 for natural resource mitigation.

The primary difference between Alternatives 3 and 4 is how they use Parcel 3. Alternative 3 suggests that only about two-thirds of the net development area of Parcel 3 would be used for marine-dependent or marine-related industries, while Parcel 4 proposes that all of the net development area of Parcel 3 be available for such uses. Alternative 3 provides the opportunity for only one loop track be developed, and depending upon the configuration of the loop track, some limited spur loading tracks may be possible.

Alternative 4, on the other hand, provides the opportunity for two loop tracks, or one loop track and a considerable number of spur loading tracks. This would result in greater opportunities for marine-industrial development and related waterfront access and usage, thus achieving the Port's function as a promoter of international and waterborne trade. Recalling that Parcel 3 is the only vacant parcel within the Vancouver-Clark County region that is zoned heavy industrial and has river frontage and access, Alternative 4 maximizes the opportunities for marine-dependent or marine-related industrial uses.

An additional consideration is that Alternative 3 potentially has the highest development costs attached to it, due primarily to the identification of a potential new road across the property in a north-south direction and crossing the flushing channel to provide additional access to Parcel 5. Because Alternative 4 proposes no such street as a major site infrastructure feature, its costs are significantly lower. Though Alternative 4 may propose additional berthing facilities to permit greater access to the river, these marine berthing facilities are not projected to be as costly as the internal infrastructure facilities identified for Alternative 3.

The Preferred Alternative

Overall, based on the various factors as reviewed above, it was the consensus that Alternative 4 is the best alternative for the Port to pursue. Therefore, Alternative 4 has been identified as the Preferred Alternative (see Technical Appendices: Book II, Task 16, Exhibit 5). This is the alternative that will be carried forth into the EIS process as the preferred alternative among others to be analyzed. However, the Preferred Alternative will likely be modified and adjusted based on more detailed information generated during the EIS process.

The Preferred Alternative focuses on Parcel 3 as the centerpiece of the future of the Columbia Gateway. Parcel 3 should be developed as it has been designated and zoned: marine/industrial. Because Parcel 3 is large enough, approximately 430 net developable acres, it is possible that several marine-dependent and/or marine-related industrial users might occupy this parcel, including up to two terminals for Panamax class vessels and berthing facilities for a significant number of barges. This full development of Parcel 3's river frontage would provide the Port with a distinct competitive advantage when compared to most other Lower Columbia River ports.

Both rail and road access to Parcel 3 would transit across the easterly fringe of Parcel 2, with the two accesses being separated in order to avoid at grade road and rail intersections. This would provide for advantages in safety, congestion, train and vehicle movements, and future need for upgrading of either or both facilities. As illustrated in the alternative, both rail and road would parallel each other as they turn westerly into the heart of Parcel 3, just after passing the northerly edge of parcel 2. From this point, the road and rail lines could be directed anywhere to best serve users locating on Parcel 3.

Neither road nor rail from Parcel 3 would cross the flushing channel to access Parcel 5. The easterly portion of Parcel 3, that approximately 57 acre portion adjacent to SR501, would be used as an area for mitigation and creation of wetlands. The sloughs in this area would be connected by water control structures with the flushing channel and Buckmire Slough on the opposite side of the flushing channel to form a network of natural waterways that would be provided with a source of clean, cold water from the Columbia River.

The shorelines on either side of the flushing channel would be reconfigured and the banks configured to a more moderate slope of approximately 4 to 1 to permit better access and visibility of the flushing channel. The irregular shoreline of the flushing channel would provide for improved natural resource opportunities and could provide recreational opportunities for small boats such as canoes, kayaks and unpowered sailing craft. As described previously, flushing channel water would be interconnected with the sloughs on either side, creating a system of waterways that might be more conducive to wetland and habitat preservation and development.

On the north side of the flushing channel, Parcel 5 would be developed only in part. Of the total 400 acres of Parcel 5, approximately 250 acres would be developed as a business/light industrial park type development, in accordance with the current LI – Light Industrial zoning. At the westerly corner of Parcel 5, adjacent to Frenchman's Bar park and the flushing channel, a small

MITCHELL NELSON

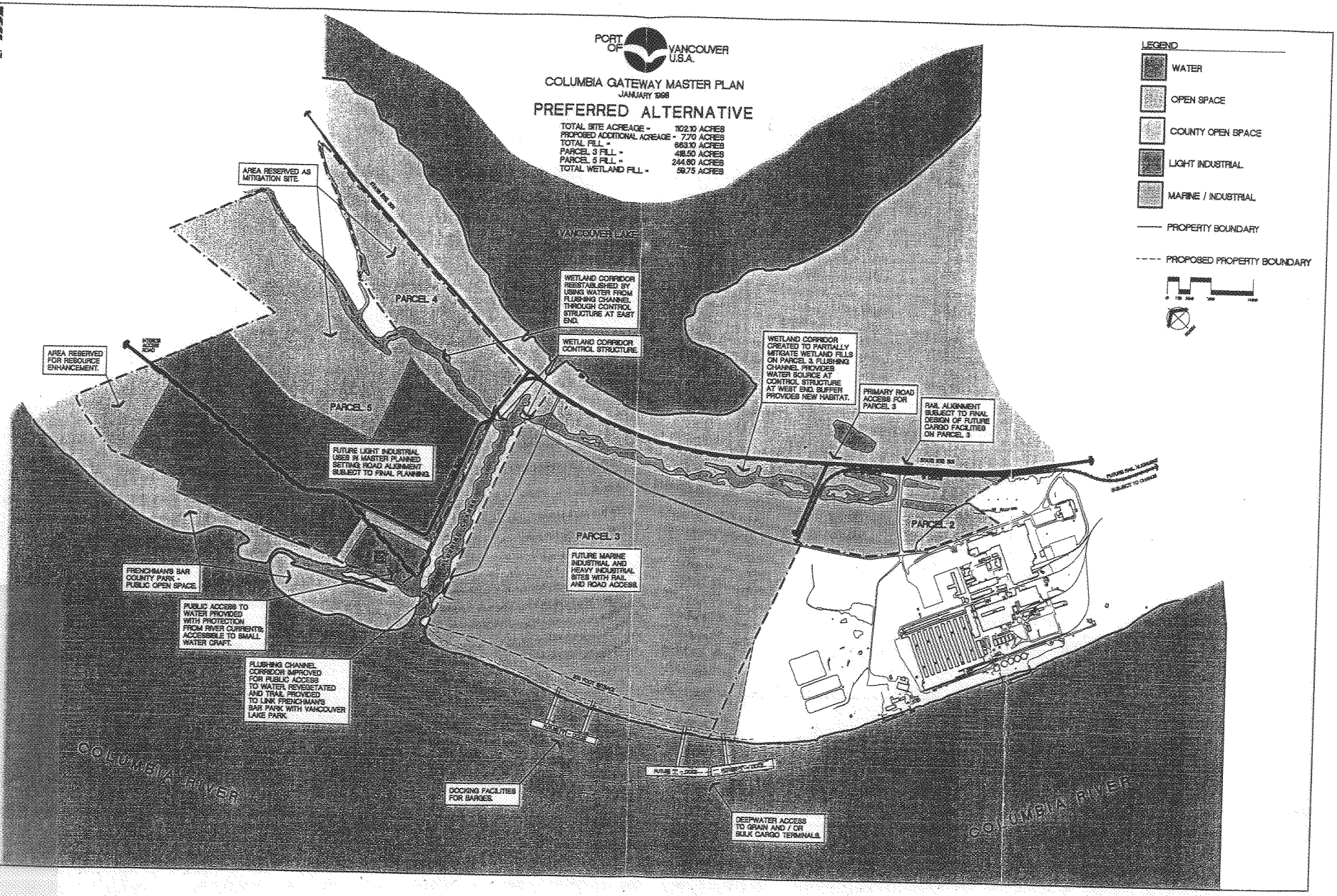
PORT OF VANCOUVER U.S.A.

COLUMBIA GATEWAY MASTER PLAN

JANUARY 1998

PREFERRED ALTERNATIVE

TOTAL SITE ACREAGE =	1021.10 ACRES
PROPOSED ADDITIONAL ACREAGE =	77.0 ACRES
TOTAL FILL =	663.10 ACRES
PARCEL 3 FILL =	418.50 ACRES
PARCEL 5 FILL =	244.60 ACRES
TOTAL WETLAND FILL =	59.75 ACRES



Enclosure 3

boat basin could be developed. This small boat basin is envisioned as being 20 surface acres and usable only by pleasure craft and personal boats of limited size.

A recreational trail would traverse Parcel 5, connecting Vancouver Lake Park with Frenchman's Bar Park. This trail would be integrated with the improvements to the flushing channel, providing a significantly improved use of the flushing channel for a variety of recreational purposes.

The balance of Parcel 5, or approximately 130 acres, would be used for wetland and habitat mitigation. This 130 acre area would be contiguous with Parcel 4, which would not be developed at all, and the existing WDFW natural resource area to the north of Parcels 4 and 5. When combined, this area will provide a significantly large area for a wide variety of natural resources. Of the total approximately 1,042 acres that make up the Columbia Gateway, approximately 330 acres, or approximately 32% of the total acreage, would be designated for natural resource use.

Economic and Financial Evaluation

Once the Preferred Alternative was adopted by the Port Commissioners, a preliminary economic and financial evaluation was performed. The purpose of the evaluation was to assess whether and under what circumstances the investment of public and private funding resources would be prudent in terms of a measurable return to the Port of Vancouver and the district it serves.

With the Preferred Alternative, approximately 680 acres of the 1,042 acre Columbia Gateway would be planned for marine/industrial and light industrial uses – including 430 acres on Parcel 3 (with development beginning no sooner than 2003), and 250 acres of Parcel 5 developed later as warranted by industrial demand (starting about 2012).

Long term, total costs of infrastructure and marine terminal development could reach an estimated $188 million (in 1998 dollars) by the time build out of Parcels 3 and 5 is ultimately achieved. This estimate covers the cost of fill (and associated earth work), roadway and site improvements, extension of utilities and rail service, and development of up to two off shore terminal facilities to serve larger marine users. Also included in this estimate are soft (or indirect) costs including permitting, sales tax, and a contingency allocation.

Preliminary financial *pro forma* analysis indicates that, over a 50-year period from 2000 to 2050, the Columbia Gateway project could yield a 10% rate of return on investment, achieving Port of Vancouver objectives for financial feasibility. The analysis also demonstrates that there are significant opportunities for partnering with other investors to reduce the Port's share of the total Columbia Gateway investment required. Other partners are likely to include industrial and marine terminal users, the Burlington Northern Santa Fe Railroad, U.S. Army Corps of Engineers, City of Vancouver and State of Washington.

In addition to the direct financial returns received by the Port of Vancouver, development of Columbia Gateway also provides important long-term economic benefits for all of Vancouver

34

and Clark County. At build-out, Columbia Gateway represents potential for an added 4,500+ family wage jobs. And for every direct job created with this development, another 1.3 jobs will be supported elsewhere in Clark County.

At this point, detailed planning for individual parcels within the Port's property has not been conducted. The next step in the process is the Environmental Impact Statement that will provide direction for more specific development plans.

XI. Next Steps

With the selection of the preferred alternative and the preparation of this Summary Report, this phase of the Columbia Gateway planning project is complete. The Environmental Impact Study that follows will provide more detailed analysis of alternatives, leading to plan revisions and refinements. Ultimately, the final plan and subsequent site development will be the result of partnerships with developers and industrial users.

The EIS Process

The preferred alternative serves as the plan for the project area and is purposefully general, to maintain flexibility. To avoid being locked into a more detailed plan prior to the completion of the environmental impact statement, the preferred alternative only identifies major features of future site development. Because the EIS will undoubtedly suggest modifications, the preferred alternative will serve as a foundation for the refinement and decision making process.

As discussed previously, the decision by Judge Edwin Poyfair in January 1996 and amended to include Parcel 5 in June1996 requires:

". . . that the PORT shall prepare an Environmental Impact Statement (EIS) as to the entirety of the PORT owned properties known as Parcels 2, 3, 4 and 5 (downriver properties) prior to the PORT implementing any specific plan for industrial development of this area except for environmental enhancements."

The order goes on to state that the Port is enjoined from "authorizing or taking any action to commence the development" of the Columbia Gateway until the EIS has been prepared and issued. Therefore, the Port is legally required to prepare an EIS, regardless of all other factors, approvals and permits. Because the judge's order refers to "*implementing* any specific plan for industrial development," (italics added) the Port determined that a conceptual plan and preferred alternative should be developed at this stage. The EIS, therefore, will lead to the specific development plan for the Columbia Gateway.

Outcome As a Result of the EIS

The preferred alternative may eventually be modified, based on the EIS results. For this reason, the Port recognizes the need to be flexible in terms of the preferred alternative. The EIS process will begin with the proposal for a specific plan (the preferred alternative) but alternatives analysis and the results of identified impacts and mitigation opportunities and options may cause shifts in the scope and direction of the preferred alternative. In order to begin an EIS, some preferred alternative plan must exist.

Phasing

Phasing for this project creates an opportunity to control the pace and scale of development within the Columbia Gateway. The Port should create a more formalized phasing plan within the context of the EIS. This will then provide the public with an understanding of the Port's priorities and emphasis in terms of development of the Columbia Gateway, Parcel 3 in particular.

Development of Parcel 3 could take two separate but equal approaches. First, the marine-industrial opportunities should be promoted. However, the Port also should consider a portion of Parcel 3, adjacent to Parcel 2, as an area where some initial development could occur, generating short term revenues without significant expenditures of capital. This area would require some filling, which could be accomplished through the use of annual dredged maintenance materials. Initial planning should involve identification of road and rail rights of way in order to determine the internal circulation pattern and set the stage for utility service planning. Next, the extension of utilities and services would be required, but the cost of these extensions would be the least cost to any of the parcels as it is located closest to existing infrastructure. Within a relatively short period of time after the EIS and necessary and required permits and approvals are obtained, the Port could have approximately 25 acres of industrial land on line. It may be possible to service another 10 acres adjacent, bringing the total short term developable industrial acreage to as much as 35 acres. This potential short term industrial development could occur within 2 to 3 years following adoption of a final EIS.

On the balance of Parcel 3, marine-dependent and/or marine-related industrial uses could be developed within a subsequent three to five years. Once a user is identified and located on the parcel, the remaining portion of Parcel 3 could be brought on line relatively easily. The key is the first user. Once the first user is on site, synergy creates a base for additional development. Full build-out of Parcel 3 will likely be a longer term process—up to 15 years— before the entirety of Parcel 3 is developed. This places build-out of Parcel 3 in 2015-2017. Obviously, the state of the local, regional, national and international economies will have significant impacts on the pace of development.

Within any first phase activity on Parcel 3, the Port must insure that rail access to Parcel 3 from the existing terminus of rail service is protected. Properties currently not under the Port's control lie between Parcel 3 and the existing terminus of rail service. In addition, the Port must address the issue of a rail line crossing one edge of Parcel 2. If rail service to Parcel 3 is not possible for any reason, the suitability of Parcel 3 for marine-dependent and/or marine-related industrial use is called into question. Parcel 5 would be developed only after Parcel 3 is substantially built out.

Scheduling

The Port's *Strategic Plan* of 1995, the "Strategic Objectives Event Timeline" envisions completion of the preferred alternative plan in mid-1998, at which time the EIS process can begin. This schedule appears to be on track. The EIS requires approximately one year at a

minimum to complete, bringing the master planning process to mid-1999. Development of Parcel 3 is slated to begin in 2003; Parcel 5 could be ready by 2004. The "Strategic Objectives Event Timeline" identifies Parcel 4 as developing between 2004 and 2006; however, according to the preferred alternative, Parcel 4 would not be developed for industrial use of any type, but would be used for natural resource protection and mitigation.

Assuming the proposed channel deepening project proceeds as planned, significant amounts of dredged materials could begin flowing in 2003. With the Port's filling from the channel maintenance dredging starting in 2000, the entirety of Parcel 3 could be filled by the end of 2005 or sometime in 2006. The focus would then turn to Parcel 5.

An alternative schedule could involve some concurrent filling on both Parcels 3 and 5 in order to accommodate dual demands for different types of development. Scheduling of this concurrent filling could be subject to modification, depending upon market conditions.

Development Process

Full development and build-out of Parcels 3 and 5 of the Columbia Gateway will require significant capital investment. The first steps toward development of the area began in the early 1990s when the Port began purchasing the available, properly zoned vacant properties in this area of the Vancouver Lowlands. These purchases were not made indiscriminately, but with an eye toward expanding the Port's land base for future development of the Port in concert with its Mission Statement. All purchases were made following public notice meetings in which the general intent to use the land for development purposes was communicated to the community.

The Port has little experience in being a land developer. The magnitude of development proposed for the Columbia Gateway is significantly greater than anything in the Port's experience. The Port should not and can not assume the full risk and costs to develop the land in Parcels 3 and 5 in accordance with the preferred alternative.

To accomplish the ends identified through the preferred alternative, the Port must partner with users, utilities and private developers. With its land base, the Port is in a powerful position to encourage future development of Parcels 3 and 5.

In the development process, the Port should make arrangements so that prospective developers and/or users absorb as much of the costs of land development as possible and meet their own specific requirements. This would apply to extensions of roads, utilities, and the rail line; construction of berthing facilities for both large vessels and barges; and shoreside facilities to handle, store and distribute whatever commodities users have. The Port would provide space for the small boat basin, but need not be the developer of such a facility.

The Port will likely carry the burden of ensuring that the land is filled to the necessary level above the flood elevation, meaning that the Port must carry through with its participation in the

98

proposed channel deepening project. Additionally, the Port will be responsible for the mitigation of wetland losses at the Columbia Gateway. Ultimately, mitigation sites may be turned over to others, such as the Washington Department of Fish and Wildlife (WDFW) or the Vancouver-Clark Community Parks Department, for management and possible ownership once the sites demonstrate that they meet standards set forth in the Corps and other permits.

In the end, the Port should primarily serve as a landowner and landlord. The Port should own few, if any structures, and should arrange responsibility for road and utility maintenance by others. Overall, the Port need not be responsible for significant costs related to site development, other than the initial filling of the area, mitigation, and the creation of features such as the changes to the flushing channel and enhancement of the natural resource areas.

The Port bears the burden of creating the master plan, including preparing the EIS. The Port must also obtain all necessary and required permits and approvals related to the preparation of the Columbia Gateway for development. The Port also may assist developers and users in obtaining permits and approvals for site-specific development.

XII. Future Actions

The following recommendations have been developed based on the findings of the planning process. These recommendations can be used in part as the basis for issues addressed in the Environmental Impact Statement, as well as by the Port in its future actions toward fulfilling its goal of developing the Columbia Gateway. These recommendations may be modified or changed during the course of the EIS process.

Environmental Impact Statement

- The Port should conduct a full EIS, further analyze the preferred alternative and additional alternatives, and begin the development approval process. The EIS must designate a project for development.
- The Port should continue discussions with the Corps to obtain an additional three to four million cubic yards of dredged fill material from the channel deepening project.
- The Port will modify and refine the preferred alternative, based on the results of the EIS.

Rail

- The Port should begin discussions with Alcoa about rail access across the vacant property adjacent to Parcel 1A in order to obtain and assure rail access to Parcel 3.
- Similarly, the Port should begin discussions with Clark PUD about rail access across a portion of the co-generation facility site, in order to obtain and assure rail access to Parcel 3.
- The Port should begin consideration of the issue of rail access across the easterly fringe of Parcel 2, adjacent to SR 501, as a means of assuring rail access to Parcel 3.
- The Port should initiate a dialogue based on its relationship with The Burlington Northern Santa Fe Railroad to identify future service opportunities to the Columbia Gateway.

Natural Resource Mitigation

- The Port should enter into discussions with the Vancouver-Clark Parks Department regarding a proposed trail along the northerly side of the flushing channel that could connect Vancouver Lake Park and Frenchman's Bar Park, in order to determine the final location and alignment of the proposed trail in the context of the Port's preferred alternative plan for the Columbia Gateway.
- The Port should continue discussions with federal, state and local resource agencies regarding the future development of mitigation within the Columbia Gateway, in order to determine the connections and relationships with existing natural resource areas within the Vancouver Lowlands area.
- The Port should hold discussions with resource agencies such as WDFW and Vancouver-Clark Community Parks about future management and potential ownership of mitigation areas and other natural features within the Columbia Gateway.

Property Development

- The Port should develop a detailed, 10-year budget for its role in development of the Columbia Gateway, based on the outcome of the EIS.
- As part of the final development plan process, the Port should include a master drainage plan.
- The Port should develop a set of road and street guidelines and standards to allow developers and users economical and staged construction. This should be done in conjunction with the City of Vancouver.
- The Port should begin discussions with adjacent property owners regarding participation in the development of Parcel 3 for marine-dependent and/or marine-related industrial users, with the possibility of obtaining use of an additional 10 acres to improve access to deepwater berthing.
- The Port should modify its *Strategic Plan* to provide an update regarding the Columbia Gateway, including identification and allocation of budget for the full costs of an EIS, any necessary land acquisition opportunities, costs related to the filling of Parcels 3 and 5, and costs related to the mitigation and restoration of resources.

Communications and Marketing

- The Port should continue to maintain a strong line of communications and participation with local residents, interested parties (such as neighborhood organizations), the media (such as *The Columbian* and the *Vancouver Business Journal*), and regional special interest groups (such as the Greater Vancouver Chamber of Commerce and the Columbia River Economic Development Council) and resource protection agencies regarding the future of the Columbia Gateway.

101

Attachment 3
Fill Source and Costs – Ogden Beeman & Associates

Potential Development of Gateway Property – Updated Information
Letter to Corps
April 3, 2002

Enclosure 3

Ogden Beeman & Associates, Inc.

Consulting in the development of ports, waterways, and marine facilities

421 S.W. 6th Avenue
Portland, Oregon 97204-1612
Tel (503) 223-8254 Fax (503) 222-0657

Fax Transmittal

To: Bob Price
Matt Dolan
Mitchell Nelson Group, Inc.
Business (503)225-0822 Fax (503)273-8353

Copy: Paul Dennis
E. D. Hovee & Company Fax (360) 696-8453

From: Nira Ratnathicam
Ogden Beeman & Associates, Inc.

Date: January 21, 1998

Project: Port of Vancouver - Gateway

Subject: Fill source and costs

No. of pages sent (including cover sheet): 4

Per our discussion this is to confirm that there are potential sources of dredge fill that will be less costly than trucked fill for preparing the Columbia Gateway Parcel 3. We suggest a unit price range between $2 and $3 in place as a good 1998 budget cost for this purpose. Attached is a memo which outlines the rational for considering dredge fill and the basis for the estimate. Please call if you have any questions.

Memorandum

To: Bob Price
Mitchell Nelson Group, Inc.
233 SW Naito Parkway
Portland, OR 97204

From: Ogden Beeman
Ogden Beeman & Associates, Inc.

Copy: Matt Dolan
Paul Dennis

Date: January 14, 1998

Project: Port of Vancouver Gateway

Subject: Project Fill Requirements

We have been told that the overall fill quantity associated with the present Port of Vancouver Gateway plan is 8.5 million cubic yards. We have made no evaluation of this number or the feasibility of filling all of the areas contemplated for fill. We have been asked how this fill figure might be achieved in a manner consistent with other elements of the Gateway plan.

Corps of Engineers/ Channel deepening. Figures are based on the report "Site Designs for Upland Disposal", Ogden Beeman & Associates, Inc. (August,1997). The study shows availability of new work dredging quantities of 3.6 million cubic yards in the year 2003. The study shows availability of maintenance dredging of 1.2 million cubic yards of dredging over the 2004 through 2022 period. Therefore, a total of 4.8 million cubic yards is available for site fill at the Gateway project.

Regrading of Existing site. It is reported that approximately 500,000 cubic yards will be available from regrading of the existing site, including expansion of the flushing channel area.

These figures suggest an additional of 3.2 (8.5 -5.3) million cubic yards of material will be required to fully execute the fill plan.

Dredging for Marine Facility Development. Reference Ogden Beeman & Associates, Inc. Technical Memo #3 "Allowance for Site Dredged Material" dated September 2,

Enclosure 3

104

1997.. As part of the master planning effort, three ship berths with a total length of 3200' were superimposed on the site frontage, moving downstream from the upstream site boundary. New work and maintenance dredging quantities were calculated based on berth depth requirements of 40' and estimates of annual maintenance dredging based on previous history of shoaling in the area. The results of these calculations were the following.

New work dredging for three ship berths; 430,000 cubic yards
Maintenance dredging, over 40 years (say 2000 to 2040). 2,600,000 cubic yards.
Total dredging, over 40 years. Approximately 3.03 million cubic yards.

The additionof the 3.03 million cubic yards to the earlier figures demonstrate that over the long term there are dredging requirements essentially equal to fill requirements for the site. This is an ideal situation from two aspects. First, the dredging is required anyway for a combination of navigation, regrading and marine terminal development. Second, there should be sufficient disposal area capacity available for both the new work and most importantly the long term dredging requirements associated with site development.

Issues to be Addressed.
The situation relating to the dredging quantities and timing does raise several issues which should be resolved. They are discussed below.

1. How should dredging be charged to the project? A good argument can be made that the costs associated with receiving Corps of Engineers material from channel dredging, regrading the site and new work associated with berth development are all site development costs. The quantities are all needed for site development and certainly the regrading and berth development excavation contribute to the value of the resulting development. For the maintenance dredging required for the proposed marine berths, these charges could ultimately be charged against the lease or operating revenues from the berths themselves.

2. Given the long time frame for dredging, how will the fill plan be executed? A project of this size will obviously take years to develop and buildout will be many years in the future. The initial dredging from the Corps of Engineers, regrading and initial berth development can be allocated to the fill plan based on the proposed project development schedule. Longer term maintenance dredging for the marine terminals is less certain both as to quantity and timing but can be programed for filling of sites later in the development schedule.

Enclosure 3

Conclusion.

The quantities apparently available from the designated sources are so close to the fill quantities required that further engineering effort is probably not warranted at this time. If necessary, additional quantities of material could be dredged from the river in conjunction with proposed berth development or channel development which would allow flexibility in fill quantities and development schedules. For example, some of the maintenance dredging shown for the ship berths (totaling 2.6 million cubic yards) could be dredged with the new work as advanced maintenance dredging for the berths if needed to bring the fill schedule more in line with the development schedule. Although permitting dredge and fill projects always carries a certain amount of uncertainty with it, after these dredging and filling issues are covered in an EIS it appears that they are no different from other dredge and fill projects which have been permitted on the Lower Columbia River.

Due to the uncertainty as to quantity, schedule and location for the placement of dredged material, no cost estimates for dredging have been prepared. However, for project planning purposes dredging unit costs of $2.00 to $3.00 per cubic yard in 1998 costs would be a reasonable estimate at this stage of project planning.

Attachment 4
Preliminary Financial Evaluation of Preferred Alternative
Columbia Gateway Master Plan

Potential Development of Gateway Property – Updated Information
Letter to Corps
April 3, 2002

Enclosure 3

PORT OF VANCOUVER COLUMBIA GATEWAY MASTER PLAN: PRELIMINARY FINANCIAL EVALUATION OF PREFERRED ALTERNATIVE

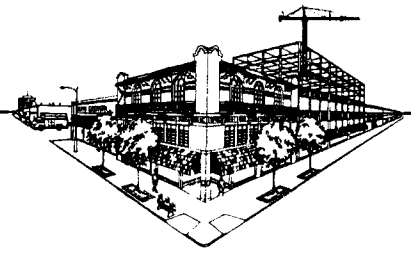
Prepared for:

Port of Vancouver

February 1998

E. D. Hovee & Company

Economic and Development Services



Enclosure 3

Port of Vancouver Columbia Gateway Master Plan: Preliminary Financial Evaluation of Preferred Alternative

Prepared for:

Port of Vancouver

Prepared by:

E.D. Hovee & Company
P.O. Box 225
951 Officers Row
Vancouver, Washington 98666
(360) 696-9870

In cooperation with:

The Mitchell Nelson Group, Inc.

February 1998

109

Enclosure 3

Table of Contents

EXECUTIVE SUMMARY	i
I. INTRODUCTION TO FINANCIAL EVALUATION	1
II. DEVELOPMENT ASSUMPTIONS	3
III. FINANCIAL PERFORMANCE OF PREFERRED ALTERNATIVE	8
APPENDIX. PRO FORMA WORKSHEETS	11

EXECUTIVE SUMMARY

This report comprises a preliminary economic and financial evaluation of the *preferred alternative* for the Port of Vancouver's *Columbia Gateway Master Plan.* The evaluation covers assumptions and findings regarding marine and industrial property infrastructure development and land absorption. The analysis also includes a multiyear financial pro forma of projected revenues versus expenses. What follows is a *summary* of key assumptions and results of the analysis.

- Land planned for development totals 672 acres. Lands designated for Marine/industrial use total 419 acres, known as Parcel 3. Lands designated for Light industrial use total 253 acres, known as Parcel 5.
- Development of Parcel 3 starts in year 2003 (first industrial user in 2004 and first marine user in 2005) and Parcel 5 starts in year 2012 (after 80% of general industrial land on Parcel 3 has been developed).
- Long-term development costs (in 1997/98 dollars) are currently estimated as follows:

Type of User	Parcel 3	Parcel 5	Total
Marine Terminal	$75,820,100	—	$75,820,100
Industrial	$37,895,300	$74,171,700	$112.067,000
All Users	$113,715,400	$74,171,700	$187,887,100

Note: Includes holding costs of previous land purchases plus interest at 3% per year.
Source: Ogden Beeman & Associates, ICF Kaiser, The Mitchell Nelson Group, Inc., as compiled by E.D. Hovee & Company.

- Development costs represent one-time expenditures repaid with annual income streams from absorption of property by marine and industrial users, including new terminal-related revenues.
- Implications for further strategic planning for the Columbia Gateway project are severalfold:
  - ✓ This preliminary financial pro forma indicates that, over a 50-year period from 2000-2050, the Columbia Gateway project could yield a 10% internal rate of return achieving Port of Vancouver objectives for *financial feasibility.*
  - ✓ With the preferred alternative, just over 60% of Columbia Gateway acreage is assumed to be made available for development. This allocation appears to provide an *adequate industrial land base* to achieve a target rate of return for the Port of Vancouver.
  - ✓ Lease rates assumed reflect pricing that is at or near the top of the market for industrial property. *Competitive considerations* suggest the need to periodically review rates vis-à-vis current market conditions.
  - ✓ *Phasing development* will affect financial performance positively to the extent that project revenues can be realized as early as possible and/or expenses can be deferred.
  - ✓ Significant opportunity exists for *partnering* with other investors to reduce the Port's share of the total Columbia Gateway investment required. The preliminary pro forma presumes assumption of rail improvement costs by Burlington Northern and marine users, ability to obtain added fill as needed from the U.S. Army Corps of Engineers, and city/state assumption of costs to widen SR-501 (if needed).
  - ✓ In addition to the direct financial returns received by the Port of Vancouver, Columbia Gateway development also could be expected to generate broader *economic benefits* including 4,500+ jobs at build-out. For every direct job created, another 1.3 jobs would be supported elsewhere in Clark County.

/11

I. INTRODUCTION TO FINANCIAL EVALUATION

This report provides a preliminary economic and financial evaluation of the *preferred alternative* for the Port of Vancouver's *Columbia Gateway Master Plan*. The master plan is intended to serve as a blueprint for future development of approximately 1,100 acres of industrially-zoned land designated Parcels 2, 3, 4, and 5 undeveloped property owned by the Port.

Purpose of Financial Evaluation

This evaluation is prepared as part of Tasks 14-16 to the master planning process, as amended. Focus of the financial evaluation is on the *preferred alternative*, including an assessment of:

- Multiyear absorption of marine and non-marine industrial sites (by type of use).
- Infrastructure cost and phasing.
- Multiyear financial pro forma reflecting revenues from industrial land and marine terminal transactions, versus costs of infrastructure plus other land development, financing, and transaction expenses.
- Internal rate of return (IRR) analysis.
- Strategic planning implications of the preferred alternative.

A financial evaluation is important to address the question of whether and under what circumstances the investment of public and private funding resources is financially prudent in terms of a measurable return to the Port of Vancouver and the district it serves.

It is emphasized that results of this analysis are *preliminary* and will be refined as subsequent project planning proceeds. In particular, preparation of an Environmental Impact Statement (EIS) can be expected to involve more detailed analysis of other project alternatives as well as the preferred project alternative. The financial model applied to this analysis has been designed to readily accommodate and evaluate the economic and financial implications of other project alternatives as well as a more refined preferred alternative.

The Preferred Alternative

With the *preferred alternative*, approximately 672 acres of the 1,100 acre Columbia Gateway property would be planned for marine and general industrial use. Land reserved for marine/industrial uses comprises 419 acres of Parcel 3 south of the flushing channel. North of the flushing channel, approximately 253 acres of Parcel 5 is indicated for potential light industrial use. None of Parcel 4 is shown as planned for future industrial use.

Currently, all of Parcel 3 is zoned by the City of Vancouver for heavy industrial use (including marine terminal facilities). All of Parcels 4 and 5 are designated as part of a light industrial zone. Parcel 2 has already been designated for wetland mitigation in relation to the development of Parcel 1A.

Infrastructure costs to serve Columbia Gateway properties at full buildout are currently estimated at between $152 to $162 million. Cost of developing additional marine terminals for grain, water-dependent heavy industrial, and/or bulk cargo facilities (on Parcel 3) could range between $18-$34 million, for a total potential expenditure (exclusive of land acquisition and private investment in buildings and equipment) of $170 to $196 million.

For purposes of the financial pro forma, an overall long-term investment figure of $188 million (including land acquisition) is applied. This investment is expected to occur over an extended multiyear period prior to full build-out — as warranted by specific marine terminal and industrial user commitments.

Qualifications & Limitations of Analysis

This analysis has been prepared for the Port of Vancouver by the economic consulting firm of E.D. Hovee & Company in cooperation with the Mitchell Nelson Group, Inc. as lead master plan consultant. The financial analysis builds on the results of prior tasks, notably the market analysis (Task 8) prepared by E.D. Hovee & Company, and development scenarios including an infrastructure cost assessment prepared by other members of the master plan consulting team.

Information contained in this report is intended for planning purposes only. The opinions and conclusions provided in this report are those of the author, and should not be construed as representing the opinions or endorsement of any other party, prior to their express approval of the contents of this report — whether in whole or in part.

In particular, it is noted that, in this analysis, economic benefits are defined in conservative terms — based upon direct financial returns primarily in the form of lease and related payments from industrial and marine terminal tenants. Broader economic benefits to the community such as employment, payrolls, expenditures, and tax revenues are not covered in extensive detail as part of this analysis. These broader economic benefits, if calculated, would be in addition to the financial results that are the primary focus of this report.

Organization of Analysis

The remainder of this financial evaluation is organized to cover:

- *Development assumptions* — preliminary results of the planning process as applied to this financial projection modeling process
- *Financial performance of preliminary alternative* — providing specific calculations of financial results of the modeling process, covering such key financial variables as projected expenditures versus revenues over time and rate of return to the anticipated Port of Vancouver investment.

Detailed multiyear financial *pro forma* worksheets for Parcels 3 and 5 are provided as an appendix to this report.

II. DEVELOPMENT ASSUMPTIONS

Four categories of development assumptions serve as key inputs to the financial evaluation model:

- *Land absorption* — defined as land transactions in terms of acres per year committed to specific types of industrial and marine tenants based upon results of the market analysis and contacts with Port of Vancouver staff.
- *Land cost and leasing rate* — drawn from a review and synthesis of several information sources including initial Port of Vancouver acquisition costs, current tax assessed valuations, current Port of Vancouver lease rates for other properties, and information regarding other Portland-Vancouver metro area market activity.
- *Infrastructure and marine terminal cost* — utilizing the range of cost estimates prepared by ICF Kaiser, The Mitchell Nelson Group, Inc., and Ogden Beeman & Associates as part of this master plan process.
- *Other financial considerations* — covering variables such as land cost, sales expense, inflation rate, and method of financing development consistent with current and planned Port of Vancouver practice.

A. Land Absorption

Key assumptions related to demand for industrial and marine terminal sites are summarized as follows:

1. As noted, 672 acres are assumed to be available for development at full buildout. Of this amount, 419 acres are reserved for marine/industrial uses (Parcel 3), and 253 acres for light industrial use (Parcel 5). *Note:* As much as another 200+ acres on Parcel 5 conceivably could be made available for development depending on the amount of wetlands required for mitigation for the whole Columbia Gateway project.

2. General industrial land on Parcel 3 is planned to be at least 80% developed before Parcel 5 land is committed to development.

3. While the timing of added marine terminal use can be quite variable, for purposes of this analysis it is assumed that a grain terminal facility is constructed by 2005, with a water-dependent heavy industrial user by 2015. While a water-dependent industrial user is assumed, the site also could be suitable for an alternative use such as a dry bulk cargo facility.

4. General industrial development on Parcel 3 is expected to begin in year 2004, coinciding with the Port beginning to receive fill from the U.S. Army Corps of Engineers. Development could occur earlier but would require import of higher cost fill. Light industrial development on Parcel 5 is expected to begin in year 2012.

5. Marine industrial uses are expected to absorb a combined 225 acres. Approximately 125 acres will be required for a grain terminal including a loop rail track, with another 100 acres allocated for a water-dependent heavy industrial user. For general and light industrial uses, the market analysis indicates potential for land absorption averaging approximately 20 acres per year for the remainder of Parcel 3. An absorption rate of 12.5 acres per year is assumed for the light industrial uses associated with Parcel 5.

B. Land Cost & Leasing Revenue

While the cost of initial acquisition of Columbia Gateway property represents a relatively small proportion of likely total investment, these sunk costs plus a return on investment are expected to be recovered when future development occurs. Leasing of industrial land and added dockage and wharfing fees from marine terminals represent the major sources of revenues that will be realized from Columbia Gateway development. Key assumptions are listed as follows:

1. Based on recorded transactions, acquisition of Parcel 3 property by the Port of Vancouver (in 1991) is approximately $2.3 million (or 11 cents per square foot). Land currently known as Parcel 5 was purchased in several increments (from 1966 to 1982) for a total cost of $2.7 million (or 12 cents per square foot). Acquisition of Parcels 2 and 4 occurred at a cost of $0.5 million (or 8 cents per square foot). Total cost of acquiring the Columbia Gateway property, including Parcels 2 and 4, is approximately $5.5 million. Cost of acquisition is important primarily as a component of total development cost carried forward (with 3% imputed annual interest applied as a holding cost), then applied to the rate of return analysis.

2. Current tax assessed valuation of the property is $1.9 million (9 cents per square foot) for Parcel 3, $3.2 million (14 cents per square foot) for Parcel 5, and $0.5 million for Parcels 2 and 4. Consequently, total Columbia Gateway tax assessed valuation is $5.6 million. Assessed valuation is not incorporated directly in the financial model, except to serve as a point of comparison with projected lease rates for a marine terminal and industrial sites.

3. All available sites are projected to be made available for lease to marine terminal and industrial tenants. Sale of land conceivably could be considered in the future — such as to a third party developer or specific industry — but most likely limited to firms providing high-wage jobs and subject to review and approval by the Port of Vancouver Commission.

4. Based on a review of current Portland-Vancouver metro area market conditions and Port of Vancouver lease rates, the following land values and lease rates are applied to the Columbia Gateway properties.

Use (Parcel)	Land Value (per square foot) *	Annual Lease Rate (per square foot) *
Marine/Industrial(Parcel 3)	$3.50	$0.35
Light Industrial (Parcel 5)	$3.50	$0.35

* Note: Rates are in 1997-98 dollars.

Annual ground lease rates have been calculated as equivalent to 10% of market value for fully improved sites. These land values represent top of the market pricing for industrial land in the Portland-Vancouver metro area, but are consistent with current pricing for Parcel 1A properties currently being marketed.

5. Annual ground lease rates for a grain terminal are assumed to apply to only 60 of the 125 acres absorbed. This is primarily due to the fact that most of the land is for rail purposes and will not be entirely used by the grain operator. All other industrial users are expected to pay for 100% of the land they require.

6. Additional marine revenues are expected to be generated from dockage and wharfing fees. Dockage revenues for the grain terminal are assumed to be $1.6 million per year based on five million tons of grain shipped annually. Dockage revenues from the water-dependent heavy industrial users are estimated at $500,000 per year plus annual wharfing revenues of $1.0 million on tenant's cargo and potentially another $100,000 annually on other cargo.

C. Infrastructure & Marine Terminal Cost

This financial analysis relies on infrastructure and marine terminal cost information provided by specialists on the Mitchell Nelson planning team. Major cost-related assumptions are outlined below:

1. The investment cost to provide infrastructure and marine terminal facilities has been estimated separately for Parcels 3 and 5 as follows:

Cost Component	Parcel 3	Parcel 5	Total
Infrastructure Cost *	$82,496,000 - $92,373,000	$69,496,000	$151,992,000 - $161,869,000
Marine Terminal Cost **	$18,188,000 - $34,446,000	—	$18,188,000 - $34,446,000
Total Investment (excluding land acquisition)	$100,684,000 - $126,819,000	$69,496,000	$170,180,000 - $196,315,000

Notes: * The range in cost is attributable to potential variation in budgeting for an escape road, rail improvements, and associated soft costs. For purposes of the financial model, the escape road plus associated soft costs are applied. Infrastructure cost includes earth work, roadway and site improvements, road improvements, utilities, and associated soft costs.

** Covers cost of grain conveyor, water-dependent heavy industrial, and bulk cargo docks (with terminal structure and equipment costs not included). The range in cost is attributable to the length of dock facility constructed. The grain conveyor (long approach) and water-dependent heavy industrial cargo docks were used in the financial model.

Source: Ogden Beeman & Associates, ICF Kaiser, The Mitchell Nelson Group, as compiled by E.D. Hovee & Company. A more detailed line item listing of investment costs is provided as part of the appendix to this report.

2. For purposes of this preliminary financial analysis, approximately 75% of the infrastructure expense for Parcel 3, 61% of the infrastructure for Parcel 5, and 100% of dock costs noted above are attributable to the Port of Vancouver for future recovery through tenant leases and/or related charges. It is assumed that the Port could negotiate with a specific tenant and/or land purchaser (in the event of sale) for private payment of some portion of these costs (particularly rail service and SR-501 roadway widening improvements).

3. Specifically, the financial pro forma is predicated on assumptions that *none* of the infrastructure cost associated with rail improvements or SR-501 widening would be borne by the Port of Vancouver, but would be assumed by other financial partners. It also could be possible to negotiate with a third party to pay for utility improvements.

4. Also noted is that SR-501 widening may not be needed depending on whether vehicle trips generated from the Columbia Gateway development reduce level of service (LOS) below established thresholds set by the City of Vancouver. The need for roadway widening would be predicated on engineering estimates assuming industrial development at an average of 16 employees per acre. This density exceeds the density of 9 employees per acre indicated by the market analysis, is consistent with adopted comprehensive plan allocations.

5. The Port is expected to receive five million cubic yards of fill from the Corps and three million cubic yards from on-site wetland mitigation and dredging, with a resulting need to import another 3.5 million cubic yards. It is assumed that the cost of moving the Corps fill into place would be around $1 per cubic yard versus $3 per cubic yard to transport and move into place imported fill. If the Port could receive 3.5 million more cubic yards of fill from the Corps, then the Port could save $7 million in direct infrastructure costs plus another $5.4 million in associated soft costs.

   For purposes of this pro forma, it is assumed that another 3.5 million cubic yards of fill can be procured as a result of further discussions with the Corps. It is also assumed that fill plus on-site grading and preparation can be accomplished at a cost of $3 per cubic yard.

6. Soft costs are estimated to include 30% for administrative, permits, construction and design; 7.6% for sales tax; 4% for mobilization; and 25% for contingencies.

7. Annual maintenance costs of the marine docks are estimated at between $50,000-$100,000 per terminal. For purposes of the financial model, the mid-point (or average) of $75,000 annually was used.

D. Other Financial Considerations

Other financial considerations important for the modeling process are severalfold, as noted below:

1. Cost of land acquisition adds another $7.8+ million to the total project investment. Close to $3.2 million of this investment is allocated to Parcel 3 and $4.7 million to Parcel 5.

2. For purposes of the financial pro forma analysis, a mid-range total investment figure of $188 million is applied. Of this amount, just under $137 million is currently allocated as the Port's maximum potential share with the remaining balance ($51 million) to be contributed from other sources — specifically for SR-501 roadway improvements and rail line extensions. It is anticipated that there are opportunities to further reduce the Port's share through financial

partnering with other project participants. This has the likely effect of increasing returns on investment above what has been calculated as part of this preliminary financial evaluation.

3. Costs (including commissions and other closing costs) associated with each transaction are assumed to be approximately 5% of the lease value for the first five years of the initial lease.

4. In addition, the leasehold excise tax (in lieu of property tax) equal to 12.84% of the annual lease amount is applied to each lease transaction.

5. Consistent with past trends, cost of infrastructure is inflated forward (from 1997/98 estimates) by approximately 3% annually to the period time of assumed construction. To the extent feasible, infrastructure construction is expected to be timed to occur just in advance of occupancy by marine and industrial tenants.

6. Lease rates and other revenues from marine and industrial tenants also are projected forward from 1997-98 dollars at an assumed 3% annually to time of transaction.

7. Consistent with current practice, the Port of Vancouver would plan to fund improvements to the extent possible from existing financial reserves without external debt financing.

8. The internal rate of return (IRR) on the Port of Vancouver investment is calculated over a multiyear period (extending 50 years from 2000-2050) as part of the financial modeling process. Rates of return are defined as *operating* revenues less expenses divided by the Port's *equity investment*. The IRR calculation reflects a discounting of return back to a starting reference point assumed to be the year 2000.

   Assuming that the Port does not use external debt financing, virtually 100% of improvement costs reflect an equity investment (currently estimated for purposes of the financial model at $137 million). This Port equity infusion assumption essentially represents a high end figure, as financial partnering can be expected to reduce the Port's share of the total project investment required. The cumulative investment for the Port and its financial partners builds over time, as additional improvements are phased in *just in time* to meet market demand for industrial land and marine terminal facilities.

III. FINANCIAL PERFORMANCE OF PREFERRED ALTERNATIVE

Multiyear financial pro forma worksheets have been prepared for the *preferred alternative* based on the assumptions described in this report. The detailed worksheets are attached as an appendix to this report. What follows is a summary of results followed by a discussion of potential strategic planning implications.

Preferred Alternative Revenues/Cost Summary

Projected revenues together with development and operating costs for Parcels 3 and 5 and resulting internal rates of return (IRR) calculations are shown by the following table.

Financial Variable	Parcel 3	Parcel 5	Both Parcels
Multiyear Cumulative Revenues *	$993,637,900	$365,022,800	$1,358,660,700
Development & Operating Cost **	$246,645,900	$143,773,000	$390,418,900
Multiyear Net Cash Flow Surplus/(Deficit)	$746,992,000	$221,249,800	$968,241,800
Internal Rate of Return (IRR)	10%	8%	10%

Notes: * Revenues are projected over a 50-year time period from 2000-2050.

** Costs are cumulative totals over 50 years and reflect inflation effects as of the year incurred.

Over a 50-year time period, cumulative revenues of an estimated $1.4 billion are projected to significantly outstrip development expenditures (in inflated dollars) of $390 million. However, because expenditures often occur well in advance of revenues for a particular user, the rate of return actually experienced by the Port of Vancouver could be less than what this initial comparison would indicate.

The internal rate of return (IRR) calculation provides a way of discounting future revenue and expenses back to a common present value framework (as of the year 2000), better accounting for the effects of receiving revenues much later in time than when capital investments are made.

For the overall project, an IRR of 10% is projected over a 50-year time period. This achieves the Port's target rate of 10% on capital investment projects.

Because this financial evaluation reflects a maximum potential investment by the Port of Vancouver, the IRR calculations represent conservative expectations of the returns potentially achievable. By securing additional financial partners, the Port could ultimately realize a rate of return above what is indicated by these preliminary calculations.

Strategic Planning Implications

Several implications for further strategic planning, including anticipated preparation of an environmental impact statement (EIS), that affect the Port of Vancouver's Columbia Gateway project result from the preliminary economic and financial analysis. The implications outlined below address questions of overall financial feasibility, developable acreage, competitive

considerations, development costs, project phasing, partnering, and broader community-wide economic benefits:

- ***Overall Financial Feasibility:*** While development of the Columbia Gateway project will generate significant long-term economic benefits to the Port of Vancouver and community, major capital expenditures to achieve these returns also will be required. Preliminary pro forma projections based on current estimates of anticipated costs versus revenues indicates positive long-term cash flow. Currently, these projections indicate that an internal rate of return on investment in the range of the Port's target of 10% can be achieved. However, achieving an adequate return will require detailed attention to continued financial planning that moves at the same pace as master plan refinements, the EIS process, financial partnering, and subsequent implementation actions.
- ***Adequacy of Industrial Land Base:*** To a significant degree, financial returns to the Port are dependent on the amount of developable acreage over which infrastructure costs are allocated. With the preferred alternative, just over 60% of Columbia Gateway acreage is assumed to be made available for development, with the remainder allocated to non-revenue uses (including wetland mitigation and open space). Increasing the amount of developable acreage could be expected to further enhance long-term financial feasibility; conversely, reductions in development potential could erode the economic viability of the Columbia Gateway project. *Note:* Up to an additional 200+ acres on Parcel 5 could be made available for additional industrial development depending on the amount of wetland mitigation required for the whole Columbia Gateway project. This could generate up to an additional $3 million annually in ground lease revenues that currently are not included as part of the pro forma analysis.
- ***Competitive Considerations:*** As noted, the lease rates applied to the pro forma projections reflect pricing at or near the top of the market. This pricing will be easier to achieve if industrial land supply in Clark County and the larger Southwest Washington/Portland metro market remains relatively constrained by urban growth boundaries. On the other hand, downward pressure on pricing could occur in the future either as a result of a general economic slowdown or shifting of industrial land demand to lower-cost, outlying locations (such as Cowlitz County). Consequently, assumptions regarding pricing should be reviewed periodically to assure competitiveness with prevailing market conditions.
- ***Phasing of Development:*** Internal rates of return (IRRs) are improved if: (a) revenues can be realized earlier rather than later; and/or (b) expenses can be deferred. Specifically noted is that the *Master Plan* references some potential to make a portion of Parcel 3 ready for development by the turn of the century. This could improve returns above what is indicated by the pro forma projections provided in this preliminary report.
- ***Partnering:*** Strategic planning implications focus on the opportunity and need for partnering with other investors to reduce the Port of Vancouver's share of the total

investment required. This pro forma analysis assumes that, at a minimum, the following opportunities for financial partnering are realized:

- ✓ All rail improvements would be paid by Burlington Northern and marine users ($9.1 to $13.7 million).
- ✓ More fill could be obtained from the U.S. Army Corps of Engineers (the pro forma assumes an additional 3.5 million cubic yards above the five million could be available including grading costs at approximately $3 per cubic yard).
- ✓ SR-501 road widening improvements would be paid through state and city funds together with impact fees ($15.3 million). Specifically noted is that SR-501 road widening may not be needed if industrial development occurs at densities indicated in the market report versus higher employment density estimates applied to calculate the infrastructure costs.

If the Port does assume any portion of these costs, then additional partnering could be required on other infrastructure items to keep development costs in line with realized revenues — generating returns adequate to meet Port of Vancouver and community expectations.

Another opportunity for financial partnering that is not reflected in the pro forma is for electrical and natural gas utilities (including a new substation) to be developed by a third party. This potential is greater as a result of continuing utility industry deregulation. Development of utilities by a third party could result in savings to the Port of Vancouver of an added $3.5 million in direct infrastructure costs plus an additional $2.7 million in associated soft costs.

As noted, there may be yet other opportunities for added partnering — including with developers, marine and industrial tenants. Added partnering would further reduce the Port's share of required Columbia Gateway investment, potentially raising the rates of return above what are projected in this report.

- ***Economic Benefits:*** In addition to the direct financial returns received by the Port of Vancouver, development of Columbia Gateway also provides important long-term economic benefits for all of Vancouver and Clark County. At build-out, Columbia Gateway represents potential for an added 4,500+ family-wage jobs assuming employment densities consistent with Clark County and City of Vancouver comprehensive plans. And for every direct job created with this development, another 1.3 jobs will be supported elsewhere in Clark County.

APPENDIX. PRO FORMA WORKSHEETS

This appendix provides financial worksheets detailing the results of the *pro forma* analysis for Parcels 3 and 5 both separately and combined. A four-page worksheet format is organized as follows:

- *Page 1* presents more detailed development cost assumptions by parcel.
- *Page 2* provides multiyear pro forma revenue and expense calculations, together with resulting IRR estimates for Parcel 3.
- *Page 3* contains similar information for Parcel 5.
- *Page 4* provides composite results for Parcels 3 and 5 combined.

Financial results are indicated for each of the years 2000-2005, then in five-year increments for the years 2005-2050.

Note that the rate of return calculations are made by adjusting the cash flow figures indicated to exclude capital investments of land acquisition and infrastructure. In other words, net income is adjusted to reflect annual *operating* revenue less operating expenses. The resulting operating figure is then divided by the cumulative Port equity (or *capital investment*) to date to yield an annualized rate of return figure.

Results of this analysis are preliminary and subject to change. As indicated at the outset of this report, the financial model has been prepared for *illustrative purposes* and provides flexibility for readily calculating implications associated with updated information on alternative development assumptions.

Construction Cost Estimate for the Preferred Alternative of the Columbia Gateway Master Plan Development

Development Cost Item			Parcel #3 (South Parcel) User	Port	Time	Total	Parcel #5 (North Parcel – All LI) Port	Time	Total	Both Parcels
Item A – Earth Work:										
	A-1	Given by Corps of Engineers	M/G	100%	Phased	$5,000,000	–	–	$0	$5,000,000
	A-2	Dredge material from flushing channel, wetlands & marina	M/G	100%	Phased	$11,100,000	100%	Phased	$6,882,000	$17,982,000
	A-3	Total import	M/G	100%	Phased	$2,484,000	100%	Phased	$8,052,000	$10,536,000
	A-4	Stripping	M/G	100%	Phased	$4,190,000	100%	Phased	$2,530,000	$6,720,000
	A-5	Hydro seeding	M/G	100%	Phased	$628,500	100%	Phased	$379,500	$1,008,000
	A-6	Dewatering ponds	M/G	100%	Phased	$25,000	–	–	$0	$25,000
	A-7	Wetland mitigation	M/G	100%	Phased	$6,500,000	–	–	$0	$6,500,000
	All of Item A		–	–	–	$29,927,500	–	–	$17,843,500	$47,771,000
Item B – Roadway & Site Improvements:										
	B-1	New access road	M/G	100%	Phased	$1,155,000	100%	Phased	$1,815,000	$2,970,000
		Sanitary sewer	M/G	100%	Phased	$741,950	100%	Phased	$735,205	$1,477,155
		Water main	M/G	100%	Phased	$913,110	100%	Phased	$904,809	$1,817,919
		Storm water	M/G	100%	Phased	$840,140	100%	Phased	$1,320,220	$2,160,360
		Utilities	M/G	100%	Phased	$429,100	100%	Phased	$674,300	$1,103,400
		Subtotal of B1	–	100%	–	$4,079,300	100%	Phased	$5,449,534	$9,528,834
	B-2	Box culverts over flushing channel including embankment	–	–	–	$0	100%	Phased	$720,000	$720,000
	B-3	Road widening of SR-501 from Fruit Valley exit to Lower River Road (with bike lane) – ICF Kaiser	–	–	–	$0	0%	Phased	$11,000,000	$11,000,000
	B-4	Road widening of SR-501 from Lower River Road to flushing channel (no bike lane) – ICF Kaiser	–	–	–	$0	0%	Phased	$4,250,000	$4,250,000
	B-5	Escape road – ICF Kaiser	M/G	100%	2005	$960,000	–	–	$0	$960,000
	All of Item B		–	–	–	$5,039,300	–	–	$21,419,534	$26,458,834
Item C – Railroad Improvement:										
	C-1	Rails & ties in place	M	0%	–	$3,650,000	–	–	$0	$3,650,000
	C-2	One train trestle (1-3)	M	0%	–	$4,620,000	–	–	$0	$4,620,000
	C-3	Drainage	M	0%	–	$500,000	–	–	$0	$500,000
	C-4	Railroad crossing signals (1-3)	M	0%	–	$900,000	–	–	$0	$900,000
	C-5	Fill for railroad	M	0%	–	$3,800,000	–	–	$0	$3,800,000
	C-6	Rock ballast (including embankment)	M	0%	–	$211,320	–	–	$0	$211,320
	All of Item C		–	0%	–	$13,681,320	–	–	$0	$13,681,320
Item D – Utilities:										
	D-1	Electrical connection (substation)	M/G	100%	2005	$3,040,000	–	–	$0	$3,040,000
	D-2	High pressure gas line relocation	M/G	100%	2003	$500,000	–	–	$0	$500,000
	All of Item D		–	100%	–	$3,540,000	–	–	$0	$3,540,000
Soft Costs (Items A-D):										
	Admin., Permits, Const. & Design (30%)		–	–	–	$15,656,440	–	–	$11,778,910	$27,435,350
	Sales Tax (7.6%)		–	–	–	$3,966,300	–	–	$2,983,991	$6,950,291
	Mobilization (4%)		–	–	–	$2,087,520	–	–	$1,570,521	$3,658,041
	Contingency (25%)		–	–	–	$18,474,600	–	–	$13,899,114	$32,373,714
	Subtotal of Soft Costs (Items A-D)		–	–	–	$40,184,860	–	–	$30,232,536	$70,417,396
Item E – Grain & Bulk Cargo Docks:										
	E-1	Grain conveyor dock (long approach)	M	100%	2004	$8,188,020	–	–	$0	$8,188,020
	E-2	Grain conveyor dock (short approach)	M	Estimated Cost of $6,426,870 but not included here						
	E-3	Bulk cargo dock (long approach)	M	Estimated Cost of $28,019,100 but not included here						
	E-4	Bulk cargo dock (short approach)	M	Estimated Cost of $25,142,850 but not included here						
	E-5	Water Dependent User Dock	M	100%	2014	$10,000,000	–	–	$0	$10,000,000
Land Acquisition			M/G	100%	Phased	$3,154,375	100%	Phased	$4,676,169	$7,830,544
Grand Total of All Cost Items			–	–	–	$113,715,375	–	–	$74,171,739	$187,887,114
Estimated Port Share			–	–	–	$89,499,431	–	–	$47,179,239	$136,678,670

Source: E.D. Hovee & Company using information provided by ICF Kaiser, The Mitchell Nelson Group, Inc., and Ogden Beeman & Associates.

124

Columbia Gateway: Parcel #3 Property Evaluation – Income & Expense Forecast by Year

Financial Performance	2000	2001	2002	2003	2004	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Gross Revenue from All Industrial Users:															
Marine Industrial Users:															
Available Acreage for Lease	225	225	225	225	225	225	100	100	0	0	0	0	0	0	0
Acreage Absorbed	0	0	0	0	0	125	125	225	225	225	225	225	225	225	225
Grain User Lease (Wharfing Fee & Land)	$0	$0	$0	$0	$0	$3,188,800	$3,696,500	$4,285,400	$4,969,100	$5,761,100	$6,679,100	$7,745,500	$8,977,500	$10,408,400	$12,068,400
Water Dependent User Lease (Wharfing Fee & Land)	$0	$0	$0	$0	$0	$0	$0	$5,324,400	$6,174,100	$7,158,600	$8,299,100	$9,624,000	$11,155,000	$12,932,900	$14,994,900
Lease Income	$0	$0	$0	$0	$0	$3,188,800	$3,696,500	$9,609,800	$11,143,200	$12,919,700	$14,978,200	$17,369,500	$20,132,500	$23,341,300	$27,063,300
General Industrial Users:															
Available Acreage for Lease	194	194	194	194	194	174	74	0	0	0	0	0	0	0	0
Acreage Leased	0	0	0	0	20	40	140	194	194	194	194	194	194	194	194
Annual Lease Rate ($/acre)	$0	$0	$0	$0	$18,500	$19,000	$22,000	$26,000	$30,000	$35,000	$40,500	$47,000	$54,500	$63,000	$73,000
Lease Income	$0	$0	$0	$0	$374,600	$766,700	$3,110,200	$5,070,400	$5,830,900	$6,760,500	$7,859,100	$9,126,700	$10,563,300	$12,253,400	$14,197,100
Gross Revenue from All Users	$0	$0	$0	$0	$374,600	$3,955,500	$6,806,700	$14,680,200	$16,974,100	$19,680,200	$22,837,300	$26,496,200	$30,695,800	$35,594,700	$41,260,400
Expenditures from Land Development:															
Marine Industrial Users:															
Site Acquisition & Holding Expense	$0	$0	$0	$0	$0	$1,197,900	$0	$1,263,200	$0	$0	$0	$0	$0	$0	$0
Infrastructure Costs for Items A-D:															
Earth Work (Items A)	$0	$0	$0	$6,781,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Roadway & Site Improvements (Items B)	$0	$0	$0	$0	$1,850,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Railroad Improvement (Items C)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities (Items D)	$0	$0	$0	$0	$1,300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Costs	$0	$0	$0	$5,221,700	$2,425,900	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal for Items A-D	$0	$0	$0	$12,003,100	$5,576,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Construction Costs for Item E:															
Grain Conveyor Dock	$0	$0	$0	$0	$10,079,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Water Dependent User Cargo Dock	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal for Item E	$0	$0	$0	$0	$10,079,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual Maintenance Costs for Docks:															
Grain Conveyor Dock	$0	$0	$0	$0	$0	$95,100	$110,300	$127,800	$148,200	$171,800	$199,200	$231,000	$267,800	$310,400	$359,900
Water Dependent User Cargo Dock	$0	$0	$0	$0	$0	$0	$0	$127,800	$148,200	$171,800	$199,200	$231,000	$267,800	$310,400	$359,900
Subtotal of Maintenance Costs	$0	$0	$0	$0	$0	$95,100	$110,300	$255,600	$296,400	$343,600	$398,400	$462,000	$535,600	$620,800	$719,800
Miscellaneous Costs:															
Leasehold Tax	$0	$0	$0	$0	$0	$148,900	$172,600	$774,400	$898,000	$1,041,100	$1,207,000	$1,399,800	$1,622,400	$1,881,000	$2,180,900
Closing Expenses															
- Lease of Land	$0	$0	$0	$0	$0	$159,400	$0	$266,200	$0	$0	$0	$0	$0	$0	$0
Subtotal Closing Costs	$0	$0	$0	$0	$0	$159,400	$0	$266,200	$0	$0	$0	$0	$0	$0	$0
Subtotal of Miscellaneous Costs	$0	$0	$0	$0	$0	$308,300	$172,600	$1,040,600	$898,000	$1,041,100	$1,207,000	$1,399,800	$1,622,400	$1,881,000	$2,180,900
All Marine Industrial Expenditures	$0	$0	$0	$12,003,100	$15,655,900	$1,601,300	$282,900	$2,559,400	$1,194,400	$1,384,700	$1,605,400	$1,861,800	$2,158,000	$2,501,800	$2,900,700
General Industrial Users:															
Site Acquisition & Holding Expense	$0	$0	$0	$0	$183,000	$191,700	$217,800	$0	$0	$0	$0	$0	$0	$0	$0
Infrastructure Costs for Items A-D:															
Earth Work (Items A)	$0	$0	$0	$2,265,600	$932,100	$847,500	$3,536,100	$0	$0	$0	$0	$0	$0	$0	$0
Roadway & Site Improvements (Items B)	$0	$0	$0	$287,500	$296,000	$305,000	$353,500	$0	$0	$0	$0	$0	$0	$0	$0
Railroad Improvement (Items C)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities (Items D)	$0	$0	$0	$202,000	$208,000	$214,500	$248,500	$0	$0	$0	$0	$0	$0	$0	$0
Soft Costs	$0	$0	$0	$2,121,400	$1,105,800	$1,052,600	$3,186,300	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal for Items A-D	$0	$0	$0	$4,876,500	$2,541,900	$2,419,600	$7,324,400	$0	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Costs:															
Leasehold Tax	$0	$0	$0	$0	$48,100	$98,400	$399,300	$651,000	$748,700	$868,000	$1,009,100	$1,171,900	$1,356,300	$1,573,300	$1,822,900
Closing Expenses															
- Lease of Land	$0	$0	$0	$0	$18,700	$38,300	$111,100	$70,600	$0	$0	$0	$0	$0	$0	$0
Subtotal Closing Costs	$0	$0	$0	$0	$18,700	$38,300	$111,100	$70,600	$0	$0	$0	$0	$0	$0	$0
Subtotal of Miscellaneous Costs	$0	$0	$0	$0	$66,800	$136,700	$510,400	$721,600	$748,700	$868,000	$1,009,100	$1,171,900	$1,356,300	$1,573,300	$1,822,900
All General Industrial Expenditures	$0	$0	$0	$4,876,500	$2,791,700	$2,748,000	$8,052,600	$721,600	$748,700	$868,000	$1,009,100	$1,171,900	$1,356,300	$1,573,300	$1,822,900
Expenditures from All Users	$0	$0	$0	$16,879,600	$18,447,600	$4,349,300	$8,335,500	$3,281,000	$1,943,100	$2,252,700	$2,614,500	$3,033,700	$3,514,300	$4,075,100	$4,723,600
Net Cash Flow (Operating & Capital):	$0	$0	$0	-$16,879,600	-$18,073,000	-$393,800	-$1,528,800	$11,399,200	$15,031,000	$17,427,500	$20,222,800	$23,462,500	$27,181,500	$31,519,600	$36,536,800
Rate of Return on Equity:	0%	0%	0%	0%	1%	9%	10%	10%	12%	13%	15%	18%	21%	24%	28%

Source: E.D. Hovee & Company, February 1998.

125

Columbia Gateway: Parcel #5 Property Evaluation – Income & Expense Forecast by Year

Financial Performance	2000	2001	2002	2003	2004	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Gross Revenue from Light Industrial Users:															
Available Acreage for Lease:															
Available Acreage	253.0	253.0	253.0	253.0	253.0	253.0	253.0	215.5	153.0	90.5	28.0	0.0	0.0	0.0	0.0
Acreage Leased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0	112.5	175.0	237.5	253.0	253.0	253.0	253.0
Lease Rate ($/acre)	$0	$0	$0	$0	$0	$0	$0	$26,000	$30,000	$35,000	$40,500	$47,000	$54,500	$63,000	$73,000
Revenue from Light Industry	$0	$0	$0	$0	$0	$0	$0	$1,306,800	$3,381,300	$6,098,400	$9,621,300	$11,902,300	$13,775,900	$15,980,000	$18,514,700
Expenditures from Land Development:															
Site Acquisition & Holding Expense:	$0	$0	$0	$0	$0	$0	$0	$392,000	$451,900	$522,700	$609,800	$0	$0	$0	$0
Infrastructure Costs for Items A-D:															
Earth Work (Items A)	$0	$0	$0	$0	$0	$0	$0	$1,990,100	$1,348,400	$1,630,300	$1,889,900	$0	$0	$0	$0
Roadway & Site Improvements (Items B)	$0	$0	$0	$0	$0	$0	$0	$519,500	$602,500	$698,500	$809,500	$0	$0	$0	$0
Railroad Improvement (Items C)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities (Items D)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Costs	$0	$0	$0	$0	$0	$0	$0	$1,932,400	$1,502,200	$1,793,200	$2,078,500	$0	$0	$0	$0
Subtotal for Items A-D	$0	$0	$0	$0	$0	$0	$0	$4,442,000	$3,453,100	$4,122,000	$4,777,900	$0	$0	$0	$0
Miscellaneous Costs:															
Leasehold Tax	$0	$0	$0	$0	$0	$0	$0	$167,800	$434,200	$783,000	$1,235,400	$1,528,300	$1,768,800	$2,051,800	$2,377,300
Closing Expenses															
- Lease of Land	$0	$0	$0	$0	$0	$0	$0	$65,300	$93,900	$108,900	$126,600	$36,500	$0	$0	$0
Subtotal Closing Costs	$0	$0	$0	$0	$0	$0	$0	$65,300	$93,900	$108,900	$126,600	$36,500	$0	$0	$0
Subtotal of Miscellaneous Costs	$0	$0	$0	$0	$0	$0	$0	$233,100	$528,100	$891,900	$1,362,000	$1,564,800	$1,768,800	$2,051,800	$2,377,300
All General Industrial Expenditures	$0	$0	$0	$0	$0	$0	$0	$5,067,100	$4,433,100	$5,536,600	$6,749,700	$1,564,800	$1,768,800	$2,051,800	$2,377,300
Net Cash Flow (Operating & Capital)	$0	$0	$0	$0	$0	$0	$0	($3,760,300)	($1,051,800)	$561,800	$2,871,600	$10,337,500	$12,007,100	$13,928,200	$16,137,400
Rate of Return on Equity	0%	0%	0%	0%	0%	0%	0%	5%	7%	8%	9%	11%	13%	15%	17%

Source: E.D. Hovee & Company, February 1998.

Columbia Gateway: Parcel #3 & #5 Combined Property Evaluation – Income & Expense Forecast by Year

Financial Performance	2000	2001	2002	2003	2004	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
Gross Revenue from All Industrial Users:															
Marine Industrial Users:															
Available Acreage for Lease	225	225	225	225	225	225	100	100	0	0	0	0	0	0	0
Acreage Absorbed	0	0	0	0	0	125	125	225	225	225	225	225	225	225	225
Grain User Lease (Wharfing Fee & Land)	$0	$0	$0	$0	$0	$3,188,800	$3,696,500	$4,285,400	$4,969,100	$5,761,100	$6,679,100	$7,745,500	$8,977,500	$10,408,400	$12,068,400
Water Dependent User Lease (Wharfing Fee & Land)	$0	$0	$0	$0	$0	$0	$0	$5,324,400	$6,174,100	$7,158,600	$8,299,100	$9,624,000	$11,155,000	$12,932,900	$14,994,900
Lease Income	$0	$0	$0	$0	$0	$3,188,800	$3,696,500	$9,609,800	$11,143,200	$12,919,700	$14,978,200	$17,369,500	$20,132,500	$23,341,300	$27,063,300
General & Light Industrial Users:															
Available Acreage for Lease	447	447	447	447	447	427	327	216	153	91	28	0	0	0	0
Acreage Leased	0	0	0	0	20	40	140	244	307	369	432	447	447	447	447
Annual Lease Rate ($/acre)	$0	$0	$0	$0	$18,500	$19,000	$22,000	$26,000	$30,000	$35,000	$40,500	$47,000	$54,500	$63,000	$73,000
Lease Income	$0	$0	$0	$0	$374,600	$766,700	$3,110,200	$6,377,200	$9,212,200	$12,858,900	$17,480,400	$21,029,000	$24,339,200	$28,233,400	$32,711,800
Gross Revenue from All Users	$0	$0	$0	$0	$374,600	$3,955,500	$6,806,700	$15,987,000	$20,355,400	$25,778,600	$32,458,600	$38,398,500	$44,471,700	$51,574,700	$59,775,100
Expenditures from Land Development:															
Marine Industrial Users:															
Site Acquisition & Holding Expense	$0	$0	$0	$0	$0	$1,197,900	$0	$1,263,200	$0	$0	$0	$0	$0	$0	$0
Infrastructure Costs for Items A-D:															
Earth Work (Items A)	$0	$0	$0	$6,781,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Roadway & Site Improvements (Items B)	$0	$0	$0	$0	$1,850,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Railroad Improvement (Items C)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities (Items D)	$0	$0	$0	$0	$1,300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Costs	$0	$0	$0	$5,221,700	$2,425,900	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal for Items A-D	$0	$0	$0	$12,003,100	$5,576,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Construction Costs for Item E:															
Grain Conveyor Dock	$0	$0	$0	$0	$10,079,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Water Dependent User Cargo Dock	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal for Item E	$0	$0	$0	$0	$10,079,500	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual Maintenance Costs for Docks:															
Grain Conveyor Dock	$0	$0	$0	$0	$0	$95,100	$110,300	$127,800	$148,200	$171,800	$199,200	$231,000	$267,800	$310,400	$359,900
Water Dependent User Cargo Dock	$0	$0	$0	$0	$0	$0	$0	$127,800	$148,200	$171,800	$199,200	$231,000	$267,800	$310,400	$359,900
Subtotal of Maintenance Costs	$0	$0	$0	$0	$0	$95,100	$110,300	$255,600	$296,400	$343,600	$398,400	$462,000	$535,600	$620,800	$719,800
Miscellaneous Costs:															
Leasehold Tax	$0	$0	$0	$0	$0	$148,900	$172,600	$774,400	$898,000	$1,041,100	$1,207,000	$1,399,800	$1,622,400	$1,881,000	$2,180,900
Closing Expenses															
- Lease of Land	$0	$0	$0	$0	$0	$159,400	$0	$266,200	$0	$0	$0	$0	$0	$0	$0
Subtotal Closing Costs	$0	$0	$0	$0	$0	$159,400	$0	$266,200	$0	$0	$0	$0	$0	$0	$0
Subtotal of Miscellaneous Costs	$0	$0	$0	$0	$0	$308,300	$172,600	$1,040,600	$898,000	$1,041,100	$1,207,000	$1,399,800	$1,622,400	$1,881,000	$2,180,900
All Marine Industrial Expenditures	$0	$0	$0	$12,003,100	$15,655,900	$1,601,300	$282,900	$2,559,400	$1,194,400	$1,384,700	$1,605,400	$1,861,800	$2,158,000	$2,501,800	$2,900,700
General Industrial Users:															
Site Acquisition & Holding Expense	$0	$0	$0	$0	$183,000	$191,700	$217,800	$392,000	$451,900	$522,700	$609,800	$0	$0	$0	$0
Infrastructure Costs for Items A-D:															
Earth Work (Items A)	$0	$0	$0	$2,265,600	$932,100	$847,500	$3,536,100	$1,990,100	$1,348,400	$1,630,300	$1,889,900	$0	$0	$0	$0
Roadway & Site Improvements (Items B)	$0	$0	$0	$287,500	$296,000	$305,000	$353,500	$519,500	$602,500	$698,500	$809,500	$0	$0	$0	$0
Railroad Improvement (Items C)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities (Items D)	$0	$0	$0	$202,000	$208,000	$214,500	$248,500	$0	$0	$0	$0	$0	$0	$0	$0
Soft Costs	$0	$0	$0	$2,121,400	$1,105,800	$1,052,600	$3,186,300	$1,932,400	$1,502,200	$1,793,200	$2,078,500	$0	$0	$0	$0
Subtotal for Items A-D	$0	$0	$0	$4,876,500	$2,541,900	$2,419,600	$7,324,400	$4,442,000	$3,453,100	$4,122,000	$4,777,900	$0	$0	$0	$0
Miscellaneous Costs:															
Leasehold Tax	$0	$0	$0	$0	$48,100	$98,400	$399,300	$818,800	$1,182,900	$1,651,000	$2,244,500	$2,700,200	$3,125,100	$3,625,100	$4,200,200
Closing Expenses															
- Lease of Land	$0	$0	$0	$0	$18,700	$38,300	$111,100	$135,900	$93,900	$108,900	$126,600	$36,500	$0	$0	$0
Subtotal Closing Costs	$0	$0	$0	$0	$18,700	$38,300	$111,100	$135,900	$93,900	$108,900	$126,600	$36,500	$0	$0	$0
Subtotal of Miscellaneous Costs	$0	$0	$0	$0	$66,800	$136,700	$510,400	$954,700	$1,276,800	$1,759,900	$2,371,100	$2,736,700	$3,125,100	$3,625,100	$4,200,200
All General Industrial Expenditures	$0	$0	$0	$4,876,500	$2,791,700	$2,748,000	$8,052,600	$5,788,700	$5,181,800	$6,404,600	$7,758,800	$2,736,700	$3,125,100	$3,625,100	$4,200,200
Expenditures from All Users	$0	$0	$0	$16,879,600	$18,447,600	$4,349,300	$8,335,500	$8,348,100	$6,376,200	$7,789,300	$9,364,200	$4,598,500	$5,283,100	$6,126,900	$7,100,900
Net Cash Flow (Operating & Capital):	$0	$0	$0	-$16,879,600	-$18,073,000	-$393,800	-$1,528,800	$7,638,900	$13,979,200	$17,989,300	$23,094,400	$33,800,000	$39,188,600	$45,447,800	$52,674,200
Rate of Return on Equity:	0%	0%	0%	0%	1%	9%	10%	9%	10%	12%	13%	15%	17%	20%	23%

Source: E.D. Hovee & Company, February 1998.

Enclosure 3

PORT OF WOODLAND
141 Davidson Avenue
P.O. Box 87
Woodland, Washington 98674

(360) 225-6555
FAX 360-225-6556

March 19, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
333 SW First Avenue
Portland, OR 97204-3495

Re: Port of Woodland Disposal Sites – Current Information

Dear Ms. Hicks:

We would like to take this opportunity to provide the Corps of Engineers with current information regarding the Port of Woodland's disposal sites (Austin Point and Martins Bar) and potential future development of those properties. The information demonstrates that no specific development of the Port's properties is proposed at this time, and that, if any development occurs in the future, it would be subject to full environmental review and would be independent of the Corps' channel improvement project.

We understand that the Corps will be providing this information to the National Marine Fisheries Service and United States Fish and Wildlife Service as part of the ongoing Endangered Species Act consultation regarding the Columbia River channel improvement project. We further understand that the Corps may use this information in preparing its Supplemental Environmental Impact Statement for the channel improvement project.

As you may be aware, the Austin Point and Martins Bar disposal sites are located on the Port's industrially zoned property along the Columbia River. The Austin Point property currently has a tenant that operates a heavy equipment training school. The Martin Bar property is vacant.

At this time, the Port has no specific plans for developing either property. The Port has not engaged in any site-specific master planning for development of either property, is not currently budgeting for development of the properties, and has not applied for any permits for development of the properties. Any future development would depend entirely on tenant demand, and the Port does not intend to take any action to develop these properties until tenants are secured. Because the Port is not currently aware of any potential tenant interest in the properties, the prospect of any development of the properties is purely speculative at this time.

Enclosure 3

121

Were any development of either property to occur, the Port or prospective tenant would have to conduct all appropriate environmental review and secure all necessary permits. Because any development of either property for marine use would require in-water work, consultation would be required under the Endangered Species Act in order to obtain federal permits under Section 404 of the Clean Water Act

Finally, if the Port does secure tenants for either property, the Port intends to proceed with development regardless of whether the Corps' channel improvement project occurs. The Port can obtain any needed fill materials from other sources in the area, and neither site depends on a 43-foot navigation channel to justify economic development.

Please feel free to contact me if you have any further questions about the Port's Columbia River properties.

Sincerely,

Dave Ripp

David R. Ripp
Port Manager

Enclosure 3

Port of Kalama

March 26, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
333 SW First Avenue
Portland, OR 97204-3495

VIA FAX (503) 808-4505 &
Fed Express 830629648663

Re: Port of Kalama Properties and Disposal Site – Current Information

Dear Ms. Hicks:

This letter provides updated information regarding the Port of Kalama's facilities and its disposal site for the Corps to use in its Endangered Species Act (ESA) consultation with the National Marine Fisheries Service and Fish and Wildlife Service. As discussed below, while the Port does have development plans for its properties at North Port and the Kalama River Industrial Park, these plans are not part of or dependent on channel improvement. The only potential marine development that is related to channel improvement is berth deepening at the Port's United Harvest and Kalama Export grain terminals, which is already covered by the FEIS and Biological Assessment.

North Port: The Corps has identified the Port's North Port property and its existing dredge material disposal site as one of the potential disposal sites for channel deepening dredge material. The property is zoned for industrial uses and currently has a major industrial client on a large part of the property. With the exception of a small area used for sand excavation, the remainder of the property is currently at development grade. The property would not need any fill from outside sources to support further development. Any further industrial development would not be dependent on channel improvement such development can and will occur with or without channel improvement as appropriate clients are identified.

The facility also currently has one deep draft berth, which has a natural depth of approximately 45-50'. The Port is planning to expand the marine facilities at North Port by adding another deep draft berth. The new berth would also be in an area with natural depth of approximately 45-50'. The Port is currently conducting environmental review of the potential new berth but has not yet begun any permitting. Clearly the project would require federal permits for in-water construction work and would therefore require independent ESA consultation.

Actual construction of the new berth will depend on the Port securing a client for the site. The Port will seek permits for the project, but does not intend to construct it until securing an appropriate client. At this time, the Port is not in discussions with any potential clients. Again,

Enclosure 3

the Port's proposed berth at North Port is not dependent on or part of channel improvement and will, once an appropriate client is secured, occur with or without channel improvement.

United Harvest and Kalama Export Berth Deepening: As discussed in the FEIS and Biological Assessment for the channel improvement project, berth deepening at the Port's existing United Harvest and Kalama Export (formerly Peavey Grain) grain terminals is foreseeable if channel improvement occurs. The Port understands that any berth deepening at these terminals is being addressed through the Corps' ongoing ESA consultation for channel improvement.

South Port: At this time, the Port has only approximately 10 acres of land available for development at its South Port facility. The Port currently uses the property to handle dredged materials from the Port's maintenance dredging of its existing marine facilities (United Harvest grain terminal). The Port has no specific development plans for this property, which is currently above development grade and would therefore likely have to be excavated to allow any future development. Any marine related development of the property would require independent ESA consultation due to in-water construction work.

Kalama River Industrial Park: The Port's Kalama River Industrial Park is fully developed (grading, utilities, access) and ready for occupancy by tenants. The Port is seeking tenants for the property, but has not secured any to date. Any tenant improvements to the property will occur with or without channel improvement. It is possible that future tenants might seek to develop shallow water marine facilities, such as a shallow berth or boat launch, on a portion of the Park which is located next to the Columbia River, but no such tenants have approached the Port at this time. Any such development would of course require consultation and would not be related to or dependent upon channel improvement.

I hope that the above information provides a good picture of the status of the Port of Kalama's plans and property. Please call if you have any questions.

Sincerely,

Lanny Cawley

Lanny Cawley
Executive Director
Port of Kalama

Enclosure 3

Hand Delivered 3/20/02

Port of Longview

March 19, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
333 S.W. First Avenue
Portland, OR 97204-3495

Re: **Port of Longview Marine Facilities and Disposal Site – Current Information**

Dear Ms. Hicks:

We are writing to provide the Corps of Engineers with current information regarding the Port of Longview's marine facilities and the disposal site for channel improvement that is located on Port property (International Paper Rehandle). The Port has one new marine project planned and in the permitting process. However, that project – a proposed auto import facility – is not dependent upon or related to channel improvement. Otherwise, the Port has no specific plans for further development of marine facilities at this time. Any such potential development would be subject to full environmental review, including consultation under the Endangered Species Act (ESA), and would be independent of the Corps' channel improvement project.

We understand that the Corps will provide this information to the National Marine Fisheries Service and United States Fish and Wildlife Service as part of the ongoing ESA consultation regarding the Columbia River channel improvement project. We further understand that the Corps may use this information in preparing its Supplemental Environmental Impact Statement for the channel improvement project.

In the time since the Corps issued its Final Environmental Impact Statement (FEIS) for the channel improvement project, the Port of Longview has completed two marine facilities improvements, including one which was identified in the FEIS. These improvements are to the Port's bulk import (coke) facilities at Berth 7, and construction of a new log unloading area at Berth 8. Both facilities are to serve existing tenant and cargo handling needs, and are not part or dependent upon channel improvement.

Since publication of the FEIS, the Port has also initiated the permitting process for a potential new auto import facility at property the Port recently acquired from International Paper. The property includes the existing International Paper Rehandle disposal site that is currently used for channel maintenance and is identified for use for channel improvement. The Port submitted a permit application (Joint Aquatic

Enclosure 3

P.O. Box 1258 Longview, WA 98632-7739 Tel (360) 425-3305 FAX (360) 425-8650

131

Resources Permit Application or JARPA) for the marine aspects of the auto terminal project in 2000, a copy of which is attached. ESA consultation for the project is currently underway. Accordingly, no federal permits for the project have been issued at this time.

Development of the proposed auto terminal is not part of, dependent upon or related to channel improvement. If the necessary permits are acquired and if a tenant can be secured, development can and will proceed before channel improvement and can and will proceed with or without channel improvement because the project would have utility independent of channel improvement. Further, dredged material from the channel improvement project is not needed for developing the auto terminal. The upland portions of the auto terminal site were formerly used by International Paper, and are largely at development grade already. In addition, the site already has on it a large quantity of dredged materials from past channel maintenance. Accordingly, the Port has no specific plans for use of additional dredged materials from channel improvement at this time.

Actual development of the proposed auto import terminal is entirely dependent upon the Port securing a tenant for the property. The Port does not intend to develop the project without a tenant, and none has been identified to date. The precise form and timing of project development is therefore not certain at this time.

Aside from the proposed auto terminal, the Port has no specific plans at this time for development projects on or near the Columbia River. Although the Port has two berths in need of some repairs (berths 1 and 4), the Port does not intend to make repairs until tenants are secured for the facilities. The Port has had preliminary discussions with potential tenants for berth 1, but no formal agreements or specific plans have developed at this time. Further, any potential repairs or modifications to either berth 1 or berth 4 would almost certainly require in-water work, such as replacement of dolphins or dredging for barge access, and would therefore require independent ESA consultation.

The only other marine development related activity the Port is engaged in is maintenance dredging of its berths. The Port conducts maintenance dredging on an as-needed basis. Any such dredging requires federal permits which in turn require ESA consultation. At this point, the Port does not foresee the need to deepen any of its berths or access channels after completion of the channel improvement project. The Port's current tenants, the ships they use and the cargoes they ship do not require any additional depth and the Port's current facilities would therefore continue to be fully functional at their current depths even after channel improvement is completed.

Further, the Port does not foresee a significant change in its marine tenants or cargoes at this time. However, should future tenants or cargoes require additional depth at Port facilities, any deepening would, obviously, require independent ESA consultation.

Finally, the Port is currently undertaking several non-marine infrastructure development projects. The first is a rail corridor improvement project located over ½ mile from the Columbia River that is unrelated to channel improvement. The second is an industrial park located over 1,000 feet from the River. The Port recently finished work on the industrial park property and is seeking tenants for the property. The property is largely at development grade and is ready for tenants to construct improvements. Actual development of the industrial park is of course dependent on the Port securing tenants. Development of the park is not related to channel improvement. Should any tenants have marine transportation needs, the Port anticipates being able to accommodate them using existing marine facilities or, as necessary, with renovation of existing facilities. However, there are no specific renovations planned at this time. Further, as discussed above, any renovation of the Port's existing facilities would almost certainly require independent ESA consultation.

We trust that this information will be useful to the Corps in the ongoing channel improvement consultation process and other environmental review. We would be happy to provide any additional information you may need. Please feel free to contact me if you have any further questions about the Port's Columbia River properties.

Sincerely,

PORT OF LONGVIEW

Kenneth B. O'Hollaren
Executive Director

KBO:rj
Enc.

Enclosure 3

AGENCY USE ONLY	
Agency Reference #:	Date Received:
Circulated by: (local govt. or agency)	

JOINT AQUATIC RESOURCES PERMIT APPLICATION FORM (JARPA)

(for use in Washington State)

PLEASE TYPE OR PRINT IN BLACK INK

☐ *I am applying for a Fish Habitat Enhancement Project per requirements of RCW 75.20.350. You must submit a copy of this completed JARPA application form, and the (Fish Habitat Enhancement JARPA Addition) to your local Government Planning Department and Washington Department of Fish & Wildlife Area Habitat Biologist on the same day.*

Based on the instructions provided, I am sending copies of this application to the following: *(check all that apply)*

- ☒ Local Government for shoreline: ☒ Substantial Development ☐ Conditional Use ☐ Variance ☐ Exemption ☐ Revision ☐ Floodplain Management ☐ Critical Areas Ordinance
- ☒ Washington Department of Fish and Wildlife for HPA (Submit 3 copies to WDFW Region)
- ☒ Washington Department of Ecology for 401 Water Quality Certification Nationwide Permits (to Regional office-Federal Permit Unit)
- ☐ Washington Department of Natural Resources for Aquatic Resources Use Authorization Notification
- ☒ Corps of Engineers for: ☐ Section 404 ☐ Section 10 permit
- ☐ Coast Guard for Section 9 Bridge Permit
- ☒ US Fish & Wildlife Service or National Marine Fisheries Service for Endangered Species Act (ESA) Consultation

SECTION A - Use for all permits covered by this application. Be sure to ALSO complete Section C (Signature Block) for all permit applications.

1. APPLICANT			
Port of Longview ATTN: Ms. Judy Grigg			
MAILING ADDRESS			
10 Port Way, P. O. Box 1258, Longview, WA 98632			
WORK PHONE	E-MAIL ADDRESS	HOME PHONE	FAX #
360-425-3305	jgrigg@portoflongview.com	360-574-4239	360-636-5188

If an agent is acting for the applicant during the permit process, complete #2.

2. AUTHORIZED AGENT			
Tracey P. McKenzie			
MAILING ADDRESS			
Pacific International Engineering, 310 Waterfront Park Bldg., 144 Railroad Avenue, Edmonds, WA 98020			
WORK PHONE	E-MAIL ADDRESS	HOME PHONE	FAX #
425-921-1707	traceym@piengr.com	206-985-4123	425-744-1400

3. RELATIONSHIP OF APPLICANT TO PROPERTY: ☒ OWNER ☐ PURCHASER ☐ LESSEE ☐ OTHER:

4. NAME, ADDRESS, AND PHONE NUMBER OF PROPERTY OWNER(S), IF OTHER THAN APPLICANT:

Pacific Fibre Products, Inc., P.O. Box 278, Longview, WA 98632 (360) 577-7112
Longview Switching Company, 115 Industrial Way, Longview, WA 98632 (360) 425-2227
Longview Fibre, P.O. Box 667, Longview, WA 98632 (360) 425-1550

5. LOCATION (STREET ADDRESS, INCLUDING CITY, COUNTY AND ZIP CODE, WHERE PROPOSED ACTIVITY EXISTS OR WILL OCCUR)

10 Port Way, Longview, Cowlitz County, Washington 98632

LOCAL GOVERNMENT WITH JURISDICTION (CITY OR COUNTY) Cowlitz County

WATERBODY					TRIBUTARY OF	WRIA #
Columbia River					Pacific Ocean	N/A
¼ SECTION	SECTION	TOWNSHIP	RANGE	GOVERNMENT LOT	SHORELINE DESIGNATION	
	9 and 10	7N	2W	N/A	Urban	

Enclosure 3

134

LATITUDE & LONGITUDE IF KNOWN:	ZONING DESIGNATION
122^0 56' 12" 46^0 05' 55"	Industrial/Manufacturing
TAX PARCEL NO: PTN60421 (T-1)	DNR STREAM TYPE, IF KNOWN N/A

6. DESCRIBE THE CURRENT USE OF THE PROPERTY, AND STRUCTURES EXISTING ON THE PROPERTY. IF ANY PORTION OF THE PROPOSED ACTIVITY IS ALREADY COMPLETED ON THIS PROPERTY, INDICATE MONTH AND YEAR OF COMPLETION.

The shoreline and upland portion of the site has been used as a dredged disposal site for Columbia River sands by the U.S. Army corps of Engineers, Portland District. There is also an existing facility on site. It was International Paper Company's wharf for loading wood chip barges. It consists of a T-dock (100 ft long by 95 ft wide), 4 wood treated dolphins and one steel mooring dolphin, and existing 275 foot long by 8 foot wide wood pile supported cat walk.

IS THE PROPERTY AGRICULTURAL LAND? ☐ YES ☒ NO ARE YOU A USDA PROGRAM PARTICIPANT? ☐ YES ☒ NO

7a. DESCRIBE THE PROPOSED CONSTRUCTION AND/OR FILL WORK FOR THE PROJECT THAT YOU WANT TO BUILD THAT NEEDS AQUATIC PERMITS: COMPLETE PLANS AND SPECIFICATIONS SHOULD BE PROVIDED FOR ALL WORK WATERWARD OF THE ORDINARY HIGH WATER MARK OR LINE, INCLUDING TYPES OF EQUIPMENT TO BE USED. IF APPLYING FOR A SHORELINE PERMIT, DESCRIBE ALL WORK WITHIN AND BEYOND 200 FEET OF THE ORDINARY HIGH WATER MARK. ATTACH A SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED.

The following is a list of all construction and/or fill work required for the project:

Work shoreward of 200 ft of the OHW mark (between Fibre Way and OHW) consists of the following:

- Widen East Mill Road from 20 to 40 ft.
- Provide car holding areas: a 30-acre first point of rest; a 11.4 acre consolidation area, and a 18.3 acre long-term holding area.
- 60 car rail loading area and empty car holding rail tracks
- 2.75 acre rail staging area
- Rail loading canopy and operations building
- Longshore parking
- Office and lunch room
- Longshore road to connect East Mill Road to the berth facility
- Site drainage
- Fueling facility, body shop, and car wash
- Visitor and employee parking
- Truckaway canopy and staging area
- Post Production Options building
- Final Quality Assurance building

The bulk of construction activities associated with the upland work is clearing and grading of dredged material and weedy grasses and shrubs, placement of asphalt, building construction, and construction of storm water infiltration/detention/drainage areas.

Work riverward of OHW consists of the following:

- Remove 129 wood piles (24 untreated and 105 treated) constituting dolphins and supporting the catwalk structure (total 19 SF of untreated wood and 82.5 SF of creosote treated piling), and the catwalk decking (2,200 SF). Piles will be extracted with a crane and disposed of upland.
- Remove 13 steel pipe piling (10 SF) in an existing mooring dolphin.
- Construct a steel pile (56.5 SF) supported 3,240 SF concrete trestle from about +20 ft to about 0 ft extending out to a 3,600 SF concrete ramp. The concrete ramp will connect to a floating refurbished 40,000 SF steel barge, with a depth of 20 feet and a 5 foot draft. Rubber fenders will be placed along the face of the barge and on the face of the ship breasting dolphins. Rubber fenders are attached to ship breasting dolphin's concrete pile cap.
- Install a 640 SF elevated pile supported (19 SF) concrete catwalk between elevations –38 and –43 ft. It will extend from the barge to a new upstream vessel-mooring dolphin constructed of six 24 inch diameter steel piles (19 SF), set at elevations between –41 and –44 feet.
- Install two dock breasting dolphins. The upstream dock breasting dolphin will be located between –5 and –15 ft; the downstream dock breasting dolphin will be located between –2 and –11 ft. Each will consist of twelve 24 inch and three 36 inch steel diameter piles (117.5 SF).
- Install two ship breasting dolphins between –25 and –41 feet. Each consists of fourteen 24 inch diameter steel piles (88 SF).
- Install two debris booms. The booms consist of foam-filled steel pipes varying in diameter of 18 and 24 inches. The pipes are coated with foam and have an exterior shell of high-density polyethylene. About 50% of the boom floats out of water. The foam-filled steel pipes are about 40 feet long and are placed so there is a 1 to 3 foot spacing between the pipes. The ppes are connected by chains and the ends of the booms are connected to the float with a chain. One will be between –25 and –45 feet from the east end of the barge to the shoreline (elevation of about +21 ft), for a length of about 430 ft. Another will be located on the outside edge of the breasting dolphins and extend about 250 west of the floating dock. Seven to eight 24-inch steel piles (22 to 25 SF) are required to support the debris booms.
- Dredge by clamshell approximately 4,000 cubic yards (cy) (2,000 SF) of sand at the west, inboard location of the barge and in a small area on the east, inboard location of the barge between elevations +2 to –11 ft to provide access for the floating barge. Dredged material will be disposed upland.
- Place 900 cy of riprap (10,400 SF) over existing riprap under and 50 feet on each side of the trestle between elevations of .0 and +20 ft.
- Remove 22,000 SF of accumulated wood debris between –10 and +5 ft. This accumulated debris has reached depth of up to 8 ft deep. Removal will restore the natural substrates in the area so it is accessible to juvenile fish during outmigration. Dredged material will be disposed upland.

7b. DESCRIBE THE PURPOSE OF THE PROPOSED WORK AND WHY YOU WANT OR NEED TO PERFORM IT AT THE SITE. PLEASE EXPLAIN ANY SPECIFIC NEEDS THAT HAVE INFLUENCED THE DESIGN.

The overall project purpose is to provide a auto import facility. To accommodate auto importer requirements, it is necessary to make dock and shoreline improvements to

Enclosure 3

accommodate ships and unloading. Primary specific needs that have influenced the decision to develop a car import facility include a minimum width requirements for a vehicle off-loading ramp, having adequate upland for storage and car cleaning adjacent to the in-water structure, a deep water berth, and access to rail.

7c. DESCRIBE THE POTENTIAL IMPACTS TO CHARACTERISTIC USES OF THE WATER BODY. THESE USES MAY INCLUDE FISH AND AQUATIC LIFE, WATER QUALITY, WATER SUPPLY, RECREATION, and AESTHETICS. IDENTIFY PROPOSED ACTIONS TO AVOID, MINIMIZE, AND MITIGATE DETRIMENTAL IMPACTS, AND PROVIDE PROPER PROTECTION OF FISH AND AQUATIC LIFE. ATTACH A SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED.

The impacts and benefits associated with this project is presented below:

Number of wooden piles removed = 129 (24 untreated and 105 creosote treated)
Number of steel piles installed = 80
Net decrease of 49 piles in water

SF of wood piling removed = 101.5 (19 SF untreated wood and 82.5 SF creosote treated wood) and 10 SF of steel pipe piling
SF of steel piling installed = 325
Net increase in SF of piling that will be embedded in the sediments with a net benefit in improved baseline conditions from creosote removal.

Overwater decking removed = 2,200 SF
Overwater decking installed = 47,480 SF of which 34,000 SF of the float occurs in water deeper than –10 ft; and 7,200 SF is above +10 ft for a total of 41,200 SF of overwater structure that is in deep water or above +10 beyond the range of habitat utilized by juvenile fish.

Dredge = 4,000 cy sand for a no net loss of nearshore aquatic habitat and conversion occurs with the nearshore shallow elevations (from existing elevations of +2 to –11 to dredge depth of –11)

Dredge 22,000 SF of accumulated wood debris for a net increase in 22,000 SF of restored nearshore habitat between –5 and about +5 ft that will be accessible to juvenile fish.

Fill = 900 cy of riprap over riprap for no change

There will be a short term temporary increase in turbidity from pile removal and potential temporary exceedences in water quality criteria during pile removal during the work window when fish are not likely to be present in large numbers.

Actions taken to avoid and minimize impacts to aquatic resources and habitat include:
- moving the floating dock as far offshore as possible to minimize the volume of material dredged and area affected; it extends about 25 feet further offshore than adjacent piers;
- use of steel piles;
- timing restrictions for in-water work when juvenile salmonids are most likely to be present;
- use of a sediment control system for temporary pile storage on the barge;
- use of a containment boom surrounding the work areas to catch floating debris and any sheen;
- requirement for oil-absorbent materials on-site and spill prevention control plan;
- disposal of creosote upland;
- compliance with Ecology water restrictions imposed by Ecology.

The trestle will be concrete and upland areas will be paved. Drainage from the trestle and paved areas will be treated by infiltration, detention, and biofiltration before it eventually enters back into the Columbia River. Areas that drain towards the river will be collected and pumped back to the drainage system for the upland. This will include drainage from the dock and trestle and access ramp. The longshore parking area on the top of the dike will be graded to drain stormwater to the drainage system in the upland. The yard drainage will be treated on-site by routing it through large bioswales. The water in the bioswales will flow into the finger slough west of the project site. From the finger slough, the water will be piped into Consolidated Diking District No. 1's drainage ditch No. 3 west of Oregon Way, approximately 3 to 5 miles from the project site. From there it is pumped into the Columbia River by the Diking District.

Process waste water is treated differently. For example, water from the car wash is recycled multiple times before it is discharged into a storm sewer. Other process water from operations is contained and routed to the storm sewer for treatment.

All process buildings such as the fueling station with above ground storage tanks will be constructed with appropriate containment as per state and federal requirements.

Substrates in a 22,000 SF of currently inaccessible nearshore habitat between Berth 8 and Berth 9 will be restored; significant amounts of large and small wood debris occurs in this area to depths of 5+ feet. This area will be protected from accumulating debris in the future by the installation of debris booms that will allow fish to go under and through but will preclude large debris from getting into the nearshore environment.

No jetting or auguring for pile removal or pile installation will be allowed.

PREPARATION OF DRAWINGS: SEE SAMPLE DRAWINGS AND GUIDANCE FOR COMPLETING THE DRAWINGS. ***ONE SET OF ORIGINAL OR GOOD QUALITY REPRODUCIBLE DRAWINGS MUST BE ATTACHED.*** NOTE: APPLICANTS ARE ENCOURAGED TO SUBMIT PHOTOGRAPHS OF THE PROJECT SITE, BUT THESE DO NOT SUBSTITUTE FOR DRAWINGS. ***THE CORPS OF ENGINEERS AND COAST GUARD REQUIRE DRAWINGS ON 8-1/2 X 11 INCH SHEETS. LARGER DRAWINGS MAY BE REQUIRED BY OTHER AGENCIES.***

8. WILL THE PROJECT BE CONSTRUCTED IN STAGES? ☐ YES ☒ NO

PROPOSED STARTING DATE: As soon as permits are issued. In-water work would start November 1, 2000.

ESTIMATED DURATION OF ACTIVITY: In-water work would be from November 1, 2000 to February 28, 2001. The duration of upland work is expected to be about 15 months.

Enclosure 3

9. CHECK IF ANY STRUCTURES WILL BE PLACED:

☒ WATERWARD OF THE ORDINARY HIGH WATER MARK OR LINE FOR FRESH OR TIDAL WATERS; AND/OR

☐ WATERWARD OF MEAN HIGH WATER LINE IN TIDAL WATERS

10. WILL FILL MATERIAL (ROCK, FILL, BULKHEAD, OR OTHER MATERIAL) BE PLACED:

☒ WATERWARD OF THE ORDINARY HIGH WATER MARK OR LINE FOR FRESH WATERS? IF YES, VOLUME (CUBIC YARDS) 900 cy /AREA 0.26 (ACRES)

Rip rap will be placed over existing rip rap for slope stabilization

☐ WATERWARD OF THE MEAN HIGHER HIGH WATER FOR TIDAL WATERS? IF YES, VOLUME (CUBIC YARDS) ___ AREA ___ (ACRES)

11. WILL MATERIAL BE PLACED IN WETLANDS? ☐ YES ☒ NO

IF YES:

A. IMPACTED AREA IN ACRES:

B. HAS A DELINEATION BEEN COMPLETED? IF YES, PLEASE SUBMIT WITH APPLICATION. ☐ YES ☐ NO

C. HAS A WETLAND REPORT BEEN PREPARED? IF YES, PLEASE SUBMIT WITH APPLICATION. ☐ YES ☐ NO

D. TYPE AND COMPOSITION OF FILL MATERIAL (E.G., SAND, ETC.):

E. MATERIAL SOURCE:

F. LIST ALL SOIL SERIES (TYPE OF SOIL) LOCATED AT THE PROJECT SITE, & INDICATE IF THEY ARE ON THE COUNTY'S LIST OF HYDRIC SOILS. SOILS INFORMATION CAN BE OBTAINED FROM THE NATURAL RESOURCES CONSERVATION SERVICE (NRCS):

12. WILL PROPOSED ACTIVITY CAUSE FLOODING OR DRAINING OF WETLANDS? ☐ YES ☒ NO

IF YES, IMPACTED AREA IS ___ ACRES.

13. WILL EXCAVATION OR DREDGING BE REQUIRED IN WATER OR WETLANDS? ☒ YES ☐ NO

IF YES:

A. VOLUME: 4,000 cy (CUBIC YARDS) /AREA 0.05 (ACRES); An additional 0.51 acre of wood debris that has accumulated in nearshore areas between Berth 9and 8 will be removed.

B. COMPOSITION OF MATERIAL TO BE REMOVED: sand and wood debris

C. DISPOSAL SITE FOR EXCAVATED MATERIAL: Port –owned upland

D. METHOD OF DREDGING: clamshell

14. HAS THE STATE ENVIRONMENTAL POLICY ACT (SEPA) BEEN COMPLETED? ☒ YES ☐ NO

SEPA LEAD AGENCY: Port of Longview SEPA DECISION: DNS, MDNS, EIS, ADOPTION, EXEMPTION DECISION DATE (END OF PERIOD): March 31, 2000

SUBMIT A COPY OF YOUR SEPA DECISION LETTER TO WDFW AS REQUIRED FOR A COMPLETE APPLICATION

15. LIST OTHER APPLICATIONS, APPROVALS, OR CERTIFICATIONS FROM OTHER FEDERAL, STATE OR LOCAL AGENCIES FOR ANY STRUCTURES, CONSTRUCTION, DISCHARGES, OR OTHER ACTIVITIES DESCRIBED IN THE APPLICATION (I.E., PRELIMINARY PLAT APPROVAL, HEALTH DISTRICT APPROVAL, BUILDING PERMIT, SEPA REVIEW, FEDERAL ENERGY REGULATORY COMMISSION LICENSE (FERC), FOREST PRACTICES APPLICATION, ETC.) ALSO INDICATE WHETHER WORK HAS BEEN COMPLETED AND INDICATE ALL EXISTING WORK ON DRAWINGS.

TYPE OF APPROVAL	ISSUING AGENCY	IDENTIFICATION NO.	DATE OF APPLICATION	DATE APPROVED	COMPLETED?
Notice of Construction	SWAPCA		10/1/00		No
Order of Authorization to Operate	SWAPCA		1/15/01		No
NPDES	Ecology		7/1/00		No
Building Permit	Cowlitz County		9/1/00		No
Above Ground Storage Tank Approvals	Ecology		9/1/00		No
Consolidated Diking District Authorization	Consolidated Diking District		6/1/00		No

16. HAS ANY AGENCY DENIED APPROVAL FOR THE ACTIVITY DESCRIBED HEREIN OR FOR ANY ACTIVITY DIRECTLY RELATED TO THE ACTIVITY DESCRIBED HEREIN? ☐ YES ☒ NO IF YES, EXPLAIN:

Enclosure 3

SECTION B - Use for Shoreline and Corps of Engineers permits only:

17. TOTAL COST OF PROJECT. THIS MEANS THE FAIR MARKET VALUE OF THE PROJECT, INCLUDING MATERIALS, LABOR, MACHINE RENTALS, ETC.

7 million for in-water and above water work, longshore parking, and lunch room (within the shoreline jurisdiction) and total project cost is 45 million

18. LOCAL GOVERNMENT WITH JURISDICTION:
Cowlitz County

19. FOR CORPS, COAST GUARD, AND DNR PERMITS, PROVIDE NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF ADJOINING PROPERTY OWNERS, LESSEES, ETC..
PLEASE NOTE: SHORELINE MANAGEMENT COMPLIANCE MAY REQUIRE ADDITIONAL NOTICE — CONSULT YOUR LOCAL GOVERNMENT.

NAME	ADDRESS	PHONE NUMBER
Pacific Fibre Products, Inc	P.O. Box 278, Longview, WA 98632	(360) 577-7112
Longview Switching	Company 115 Industrial Way, Longview, WA 98632	(360) 425-2227
Longview Fibre	P.O. Box 667, Longview, WA 98632	(360) 425-1550

SECTION C - This section MUST be completed for any permit covered by this application

20. APPLICATION IS HEREBY MADE FOR A PERMIT OR PERMITS TO AUTHORIZE THE ACTIVITIES DESCRIBED HEREIN. I CERTIFY THAT I AM FAMILIAR WITH THE INFORMATION CONTAINED IN THIS APPLICATION, AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, SUCH INFORMATION IS TRUE, COMPLETE, AND ACCURATE. I FURTHER CERTIFY THAT I POSSESS THE AUTHORITY TO UNDERTAKE THE PROPOSED ACTIVITIES. I HEREBY GRANT TO THE AGENCIES TO WHICH THIS APPLICATION IS MADE, THE RIGHT TO ENTER THE ABOVE-DESCRIBED LOCATION TO INSPECT THE PROPOSED, IN-PROGRESS OR COMPLETED WORK. I AGREE TO START WORK ONLY AFTER ALL NECESSARY PERMITS HAVE BEEN RECEIVED.

SIGNATURE OF APPLICANT OR AUTHORIZED AGENT: Tracy P. McKenzie — DATE: 3.15.00

I HEREBY DESIGNATE Tracey P. McKenzie TO ACT AS MY AGENT IN MATTERS RELATED TO THIS APPLICATION FOR PERMIT(S). I UNDERSTAND THAT IF A FEDERAL PERMIT IS ISSUED, I MUST SIGN THE PERMIT.

SIGNATURE OF APPLICANT: Judy Trigg — DATE: 3/15/00

SIGNATURE OF LANDOWNER (EXCEPT PUBLIC ENTITY LANDOWNERS, E.G. DNR) — DATE

THIS APPLICATION MUST BE SIGNED BY THE APPLICANT AND THE AGENT, IF AN AUTHORIZED AGENT IS DESIGNATED.

18 U.S.C §1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than 5 years or both.

COMPLETED BY LOCAL OFFICIAL

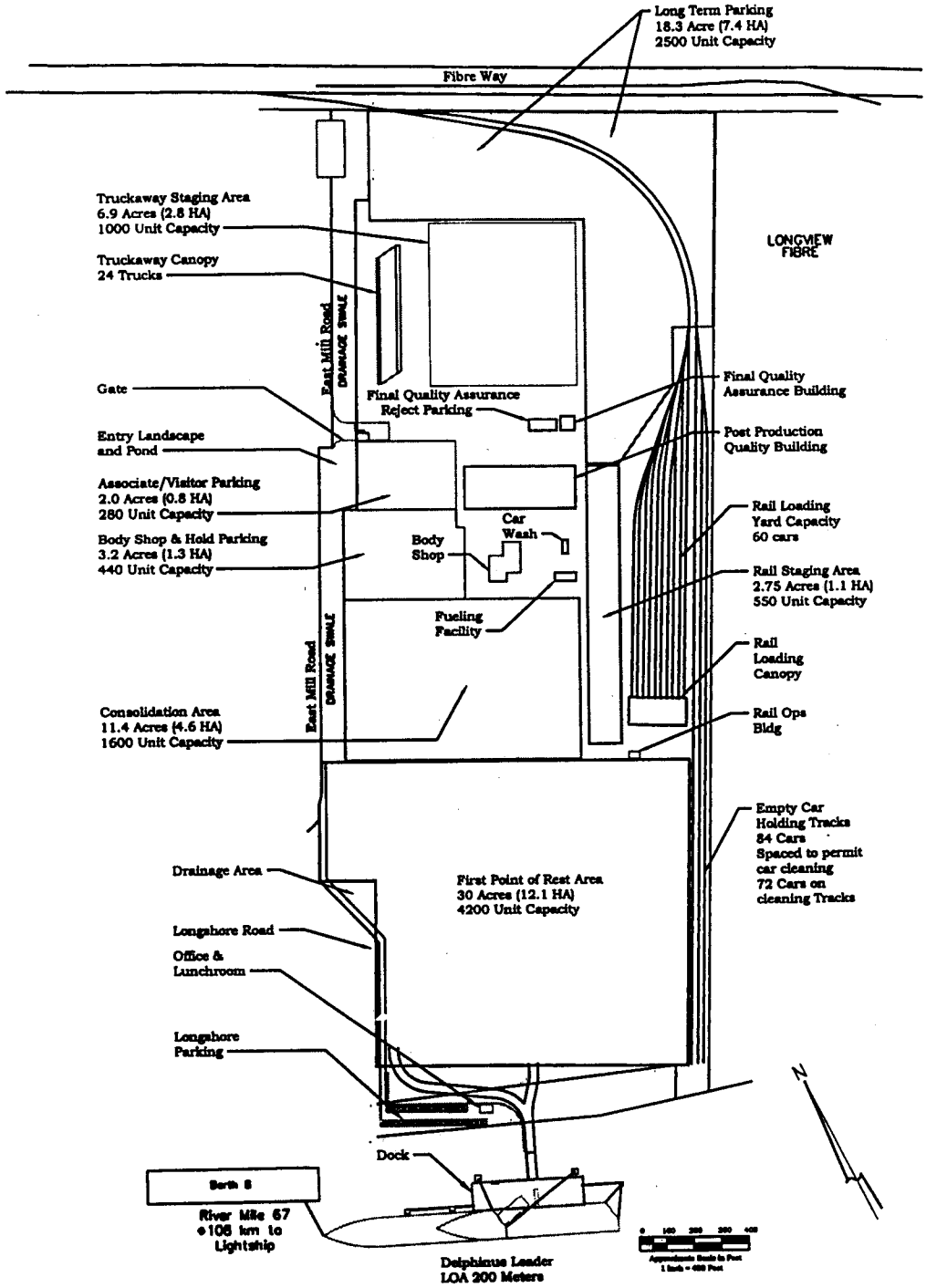
A. Nature of the existing shoreline. (Describe type of shoreline, such as marine, stream, lake, lagoon, marsh, bog, swamp, flood plain, floodway, delta; type of beach, such as accretion, erosion, high bank, low bank, or dike; material such as sand, gravel, mud, clay, rock, riprap; and extent and type of bulkheading, if any.)

B. In the event that any of the proposed buildings or structures will exceed a height of thirty-five feet above the average grade level, indicate the approximate location of and number of residential units, existing and potential, that will have an obstructed view.

C. If the application involves a conditional use or variance, set forth in full that portion of the master program which provides that the proposed use may be a conditional use, or, in the case of a variance, from which the variance is being sought.

These Agencies are Equal Opportunity and Affirmative Action employers.
For special accommodation needs, please contact the appropriate agency in the instructions.

Enclosure 3



Building	Area	
	ft^2	m^2
Post Production Quality	60,000	5,574
Body Shop	12,000	1,115
Final Quality Assurance	2,500	232
Rail Ops	960	89

Enclosure 3

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

AUTO IMPORT FACILITY

PORT OF LONGVIEW
BERTH 9

IN: COLUMBIA RIVER
AT: LONGVIEW

COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 1 OF 8 DATE: 03-15-2000

40

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

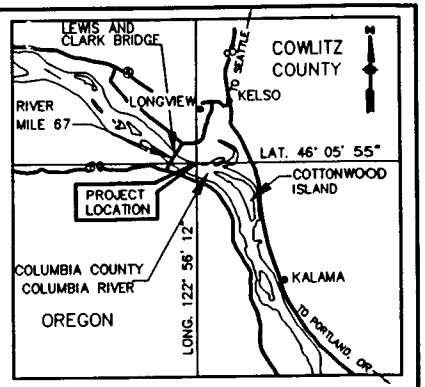
SITE PLAN AND VICINITY MAP

PORT OF LONGVIEW
BERTH 9

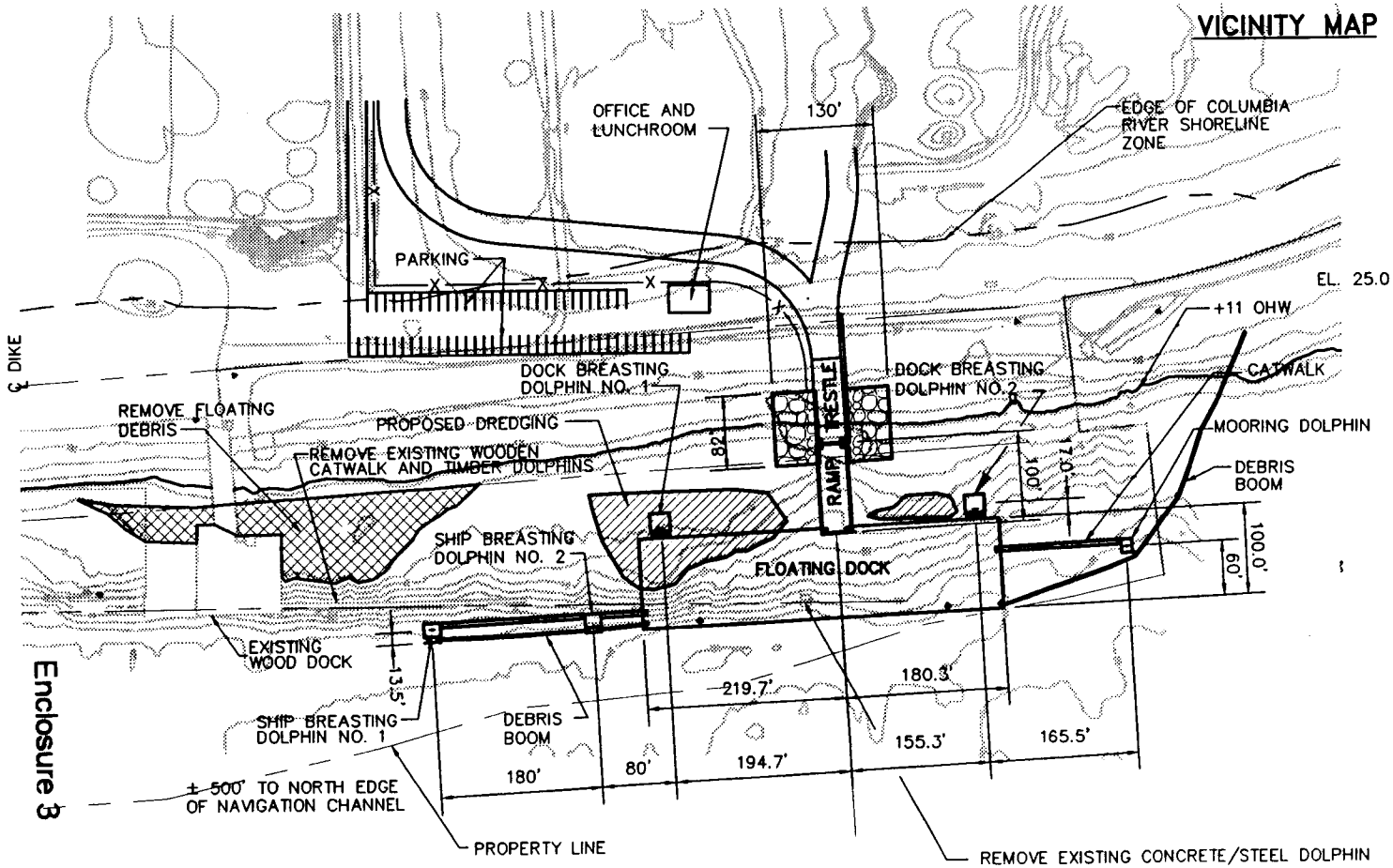
IN: COLUMBIA RIVER
AT: LONGVIEW
COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 2 OF 8 DATE: 03-09-2000



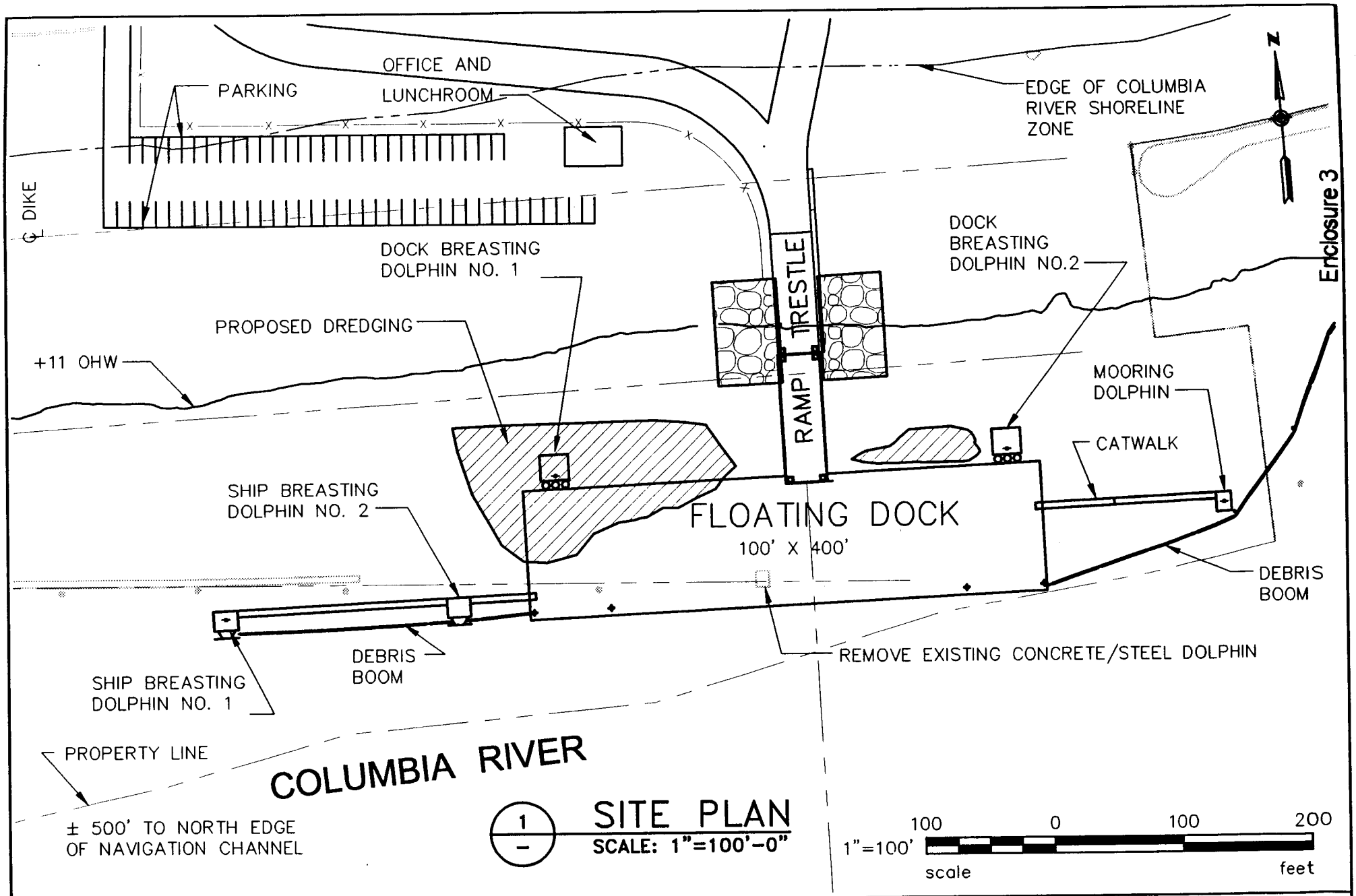
VICINITY MAP



1/- SITE PLAN

200 0 200 400
1"=200'
scale feet

File Name: Q:\2000\A00507\CADD\Exp App\S-01.dwg Scale: 2400

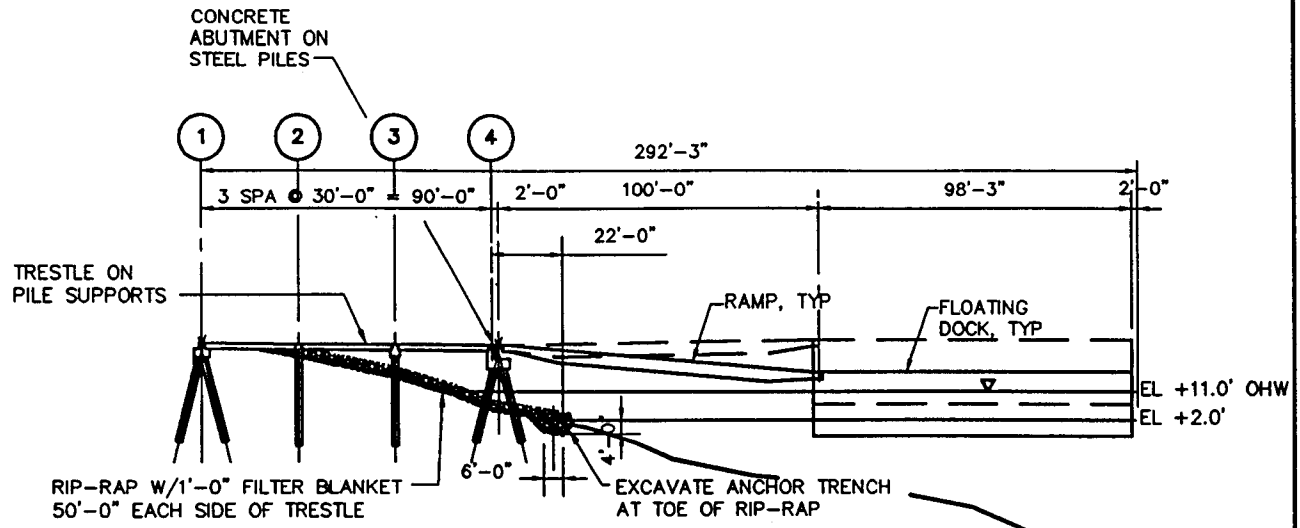


Enclosure 3

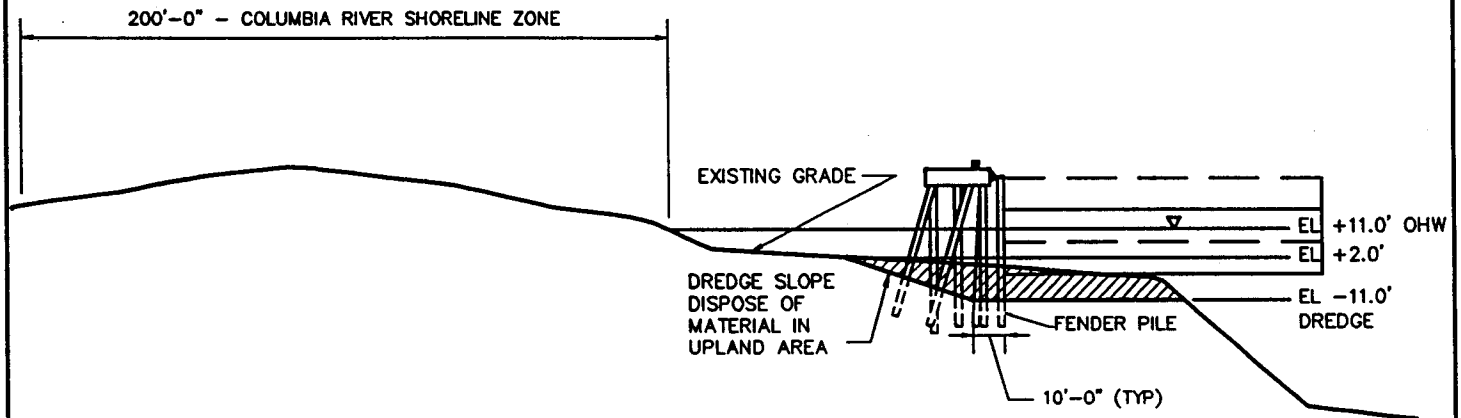
PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER DATUM: CRD ADJACENT PROPERTY OWNERS: ① LONGVIEW FIBRE CO. ② PACIFIC FIBRE PRODUCTS	SITE PLAN PORT OF LONGVIEW BERTH 9	IN: COLUMBIA RIVER AT: LONGVIEW COUNTY OF: COWLITZ STATE OF: WASHINGTON APPLICATION BY: PORT OF LONGVIEW SHEET 2A OF 8 DATE: 04-26-00

Last Plotted: Wed Apr 26 2000 at 2:32pm by dutt File Name: O:\2000\A00507\CADD\Env_App\S-02A.dwg Scale: 1200

14



1 SECTION AT RAMP



2 SECTION THRU DREDGING

NOTES:
1. ALL ELEVATIONS TO CRD
2. ALL PILES TO BE STEEL PIPE
3. APPROX 4000 CY OF SAND TO BE DREDGED BY CLAMSHELL AND DISPOSED OF IN THE UPLAND AREA OF SITE
4. PROPERTY DESCRIPTION: 139 ACRES OF "THE PORT OF LONGVIEW TRACT, " AF#3073058

1"=60' scale: 30 0 30 60 feet

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

GENERAL ARRANGEMENT SECTION

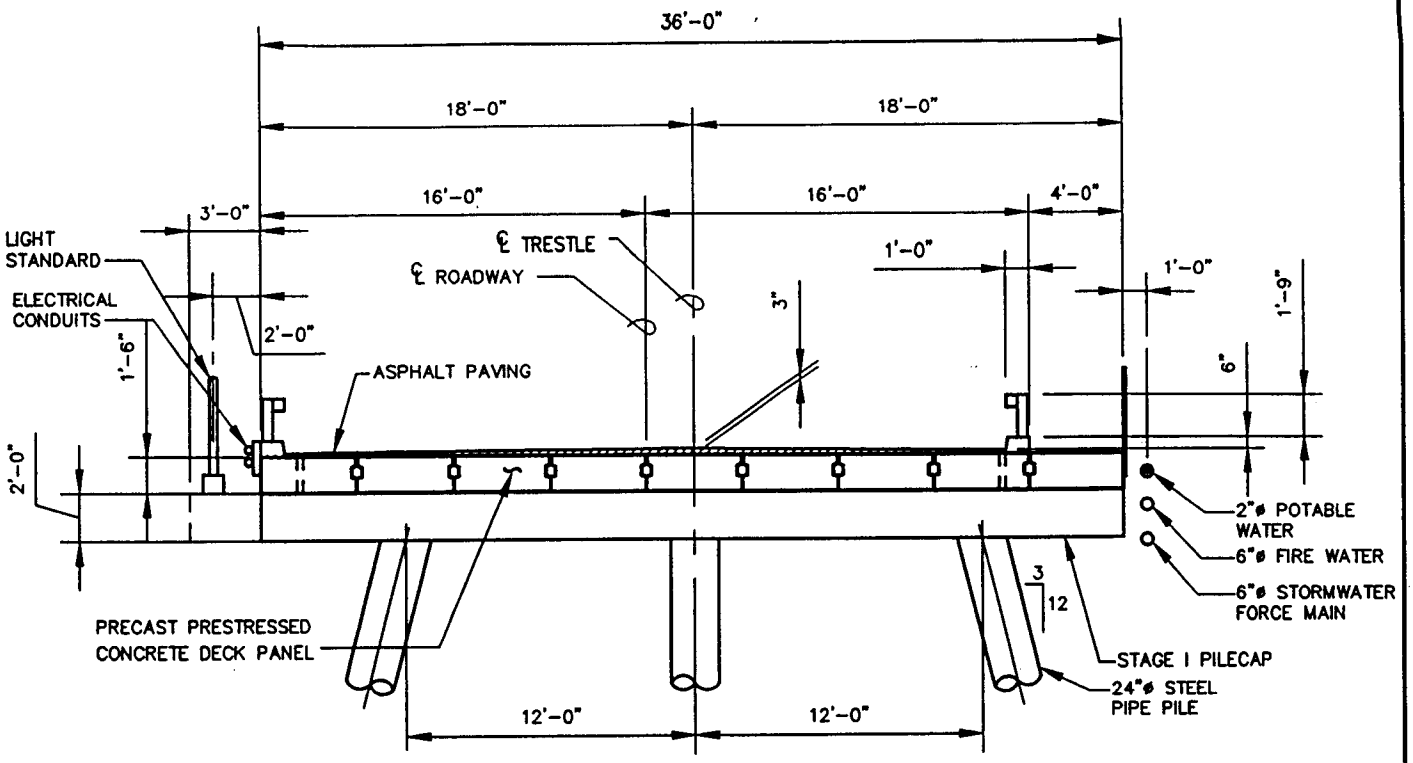
PORT OF LONGVIEW
BERTH 9

IN: COLUMBIA RIVER
AT: LONGVIEW
COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 3 OF 8 DATE: 03-09-2000

Enclosure 3

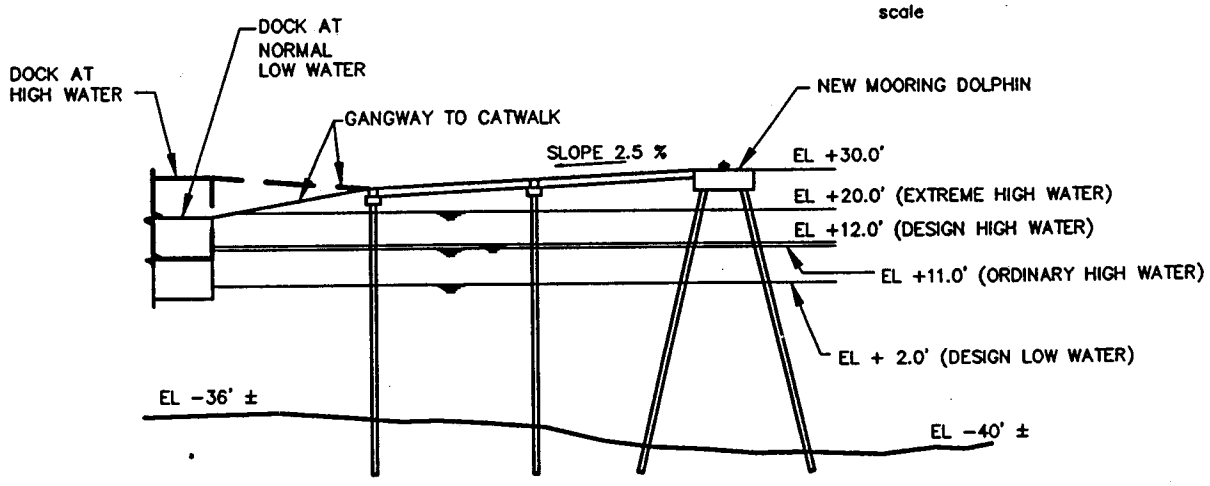


1 SECTION – TRESTLE

1 0 1 2 3 4 5

3/8"=1'

scale feet



2 ELEVATION – DOCK TO DOLPHIN CATWALK

SCALE: N.T.S.

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:

① LONGVIEW FIBRE CO.

② PACIFIC FIBRE PRODUCTS

TRESTLE AND CATWALK FRAMING

PORT OF LONGVIEW
BERTH 9

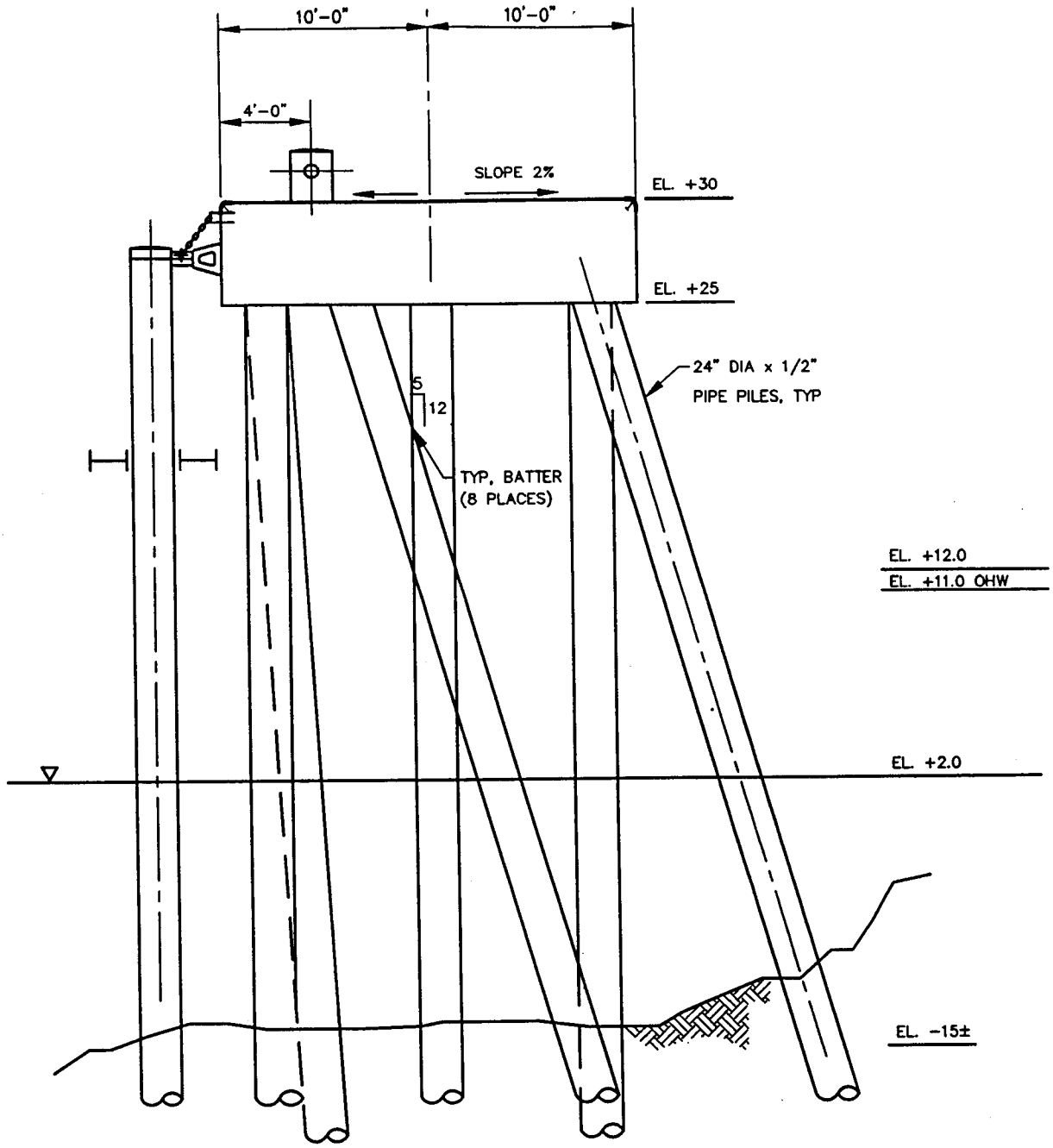
IN: COLUMBIA RIVER
AT: LONGVIEW

COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 4 OF 8 DATE: 03-09-2000

Enclosure 3



1/8"=1'

5 0 5 10 15

scale feet

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:

① LONGVIEW FIBRE CO.

② PACIFIC FIBRE PRODUCTS

DOCK MOORING DOLPHIN

PORT OF LONGVIEW
BERTH 9

IN: COLUMBIA RIVER
AT: LONGVIEW

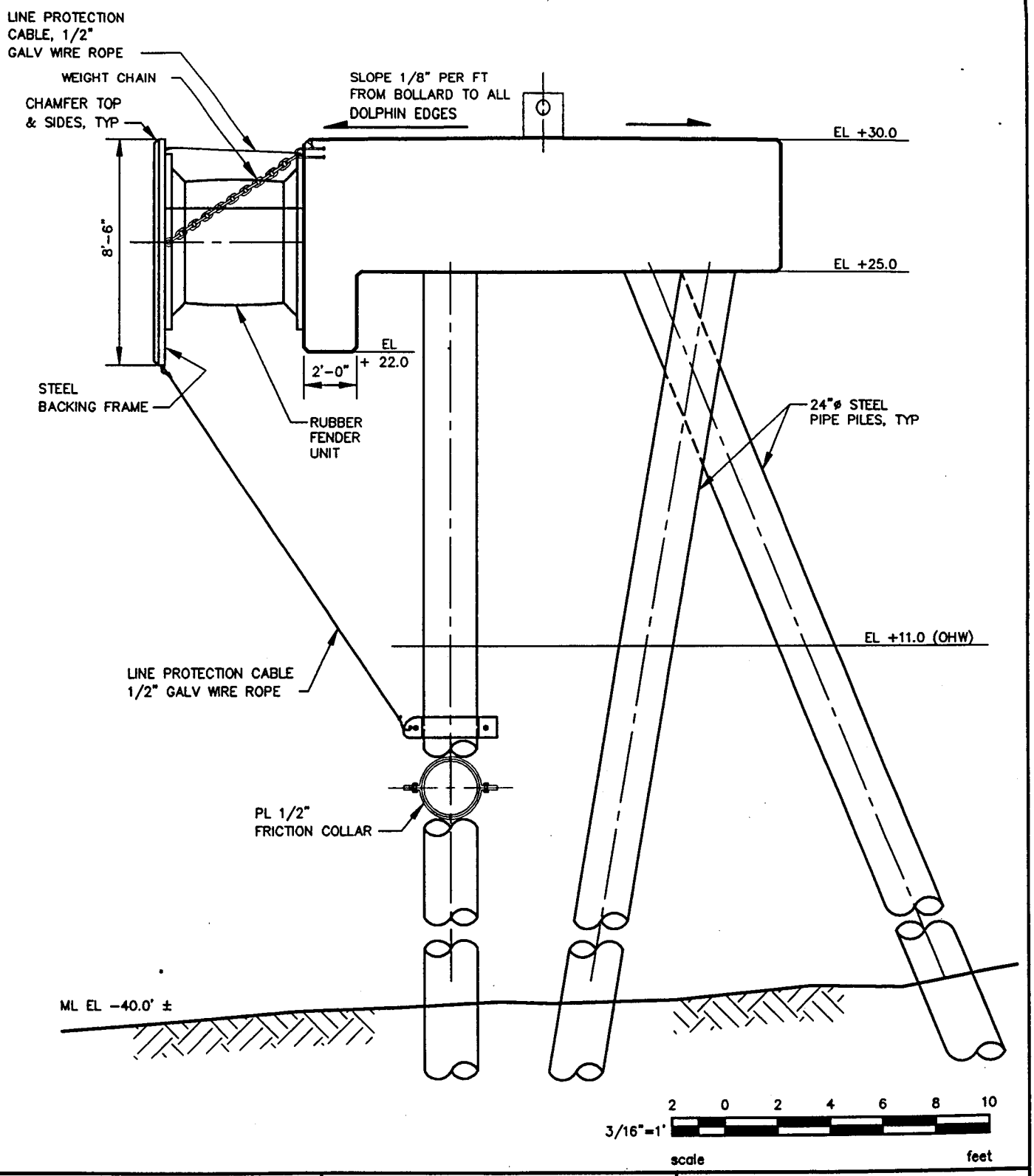
COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 5 OF 8 DATE: 03-09-2000

Enclosure 3

Last Saved on Mon Mar 13 2000 at 4:50pm by Yang File Name: O:\2000\A00507\CADD\Env App\S-04.dwg Scale: 96



PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

SHIP BREASTING DOLPHIN

PORT OF LONGVIEW
BERTH 9

IN: COLUMBIA RIVER
AT: LONGVIEW

COUNTY OF: COWLITZ
STATE OF: WASHINGTON

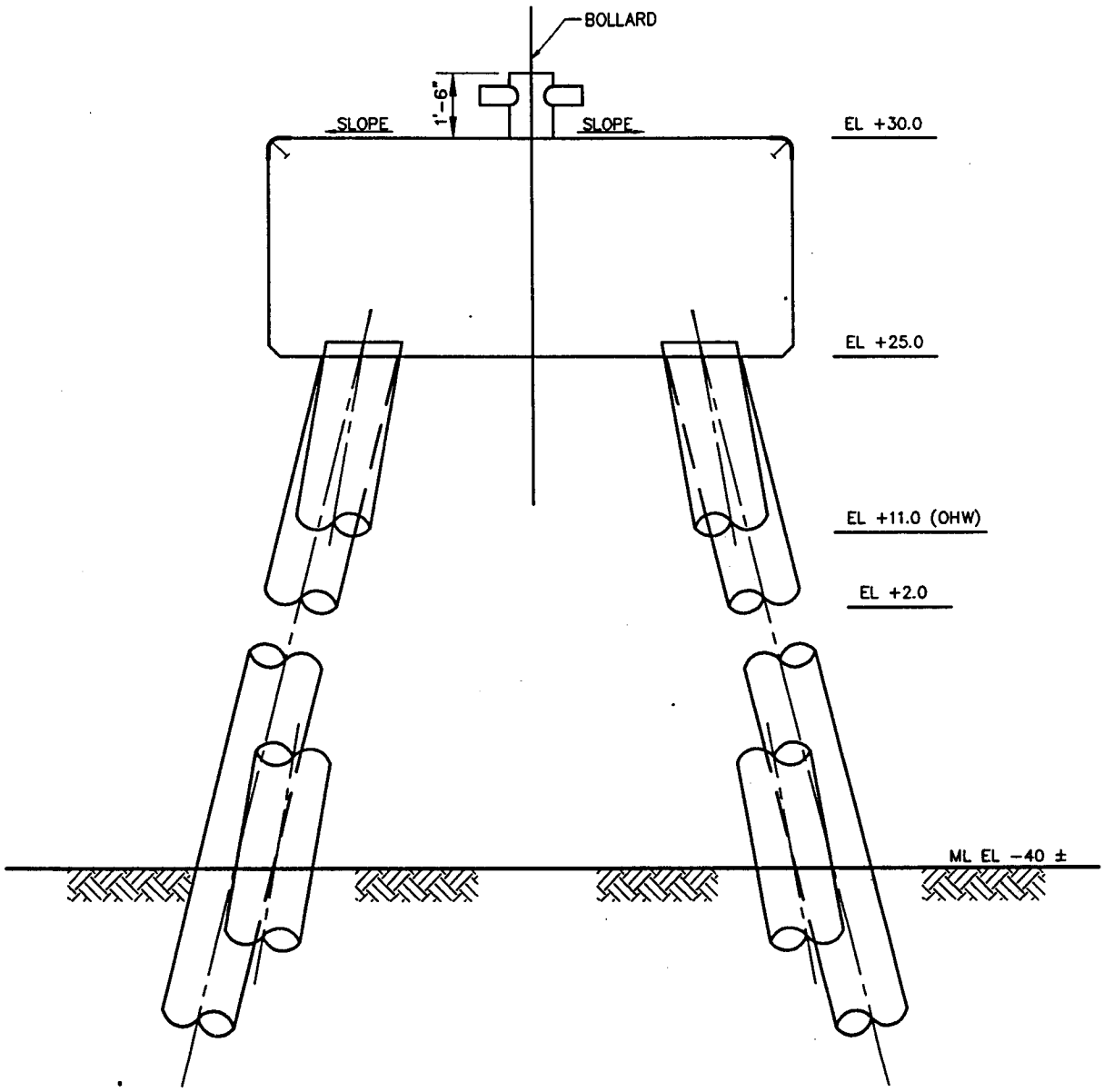
APPLICATION BY: PORT OF LONGVIEW

SHEET 6 OF 8 DATE: 03-09-2000

Enclosure 3

Last Saved on Mon Mar 13 2000 at 4:50pm by Yang *File Name: O:\2000\A00507\CADD\Env_App\S-05.dwg Scale: 64*

KAS



1/4"=1' scale 2 0 2 4 6 feet

PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

MOORING DOLPHIN

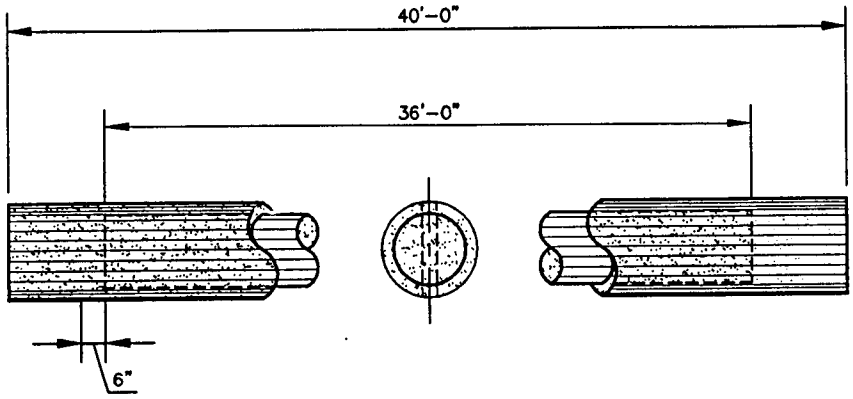
PORT OF LONGVIEW
BERTH 9

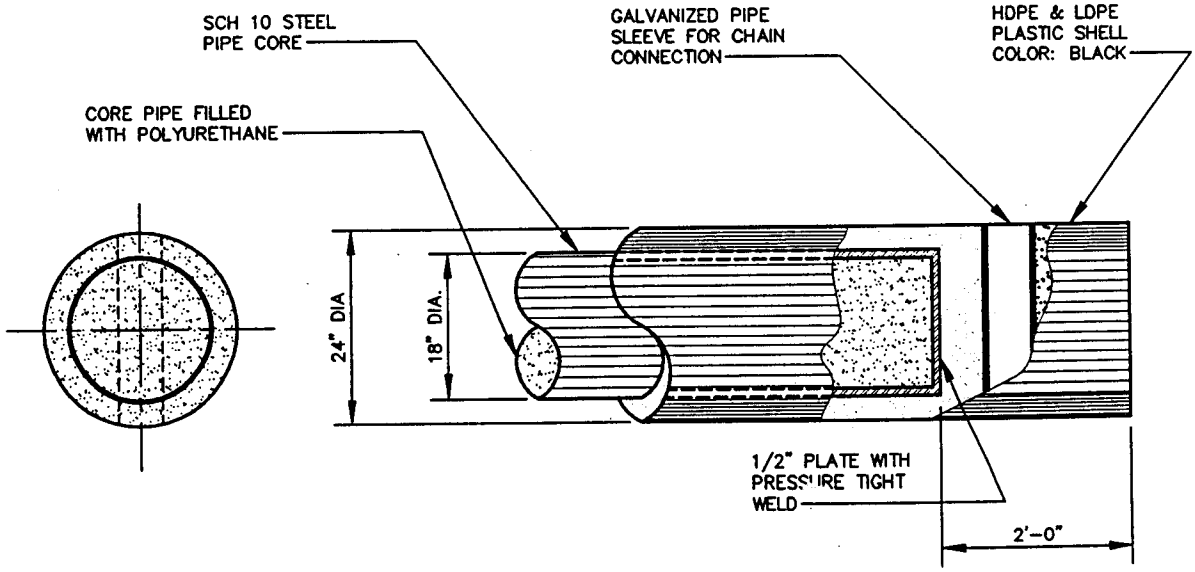
IN: COLUMBIA RIVER
AT: LONGVIEW
COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 7 OF 8 DATE: 03-09-2000

Last Saved on Mon Mar 13 2000 at 4:51pm by Yang *File Name: O:\2000\A00507\CADD\Env_App\S-06.dwg* *Scale: 48*





PURPOSE: PROVIDE DOCKING FACILITY FOR PURE CAR CARRIER

DATUM: CRD

ADJACENT PROPERTY OWNERS:
① LONGVIEW FIBRE CO.
② PACIFIC FIBRE PRODUCTS

DEBRIS DEFLECTOR

PORT OF LONGVIEW
BERTH 9

IN: COLUMBIA RIVER
AT: LONGVIEW
COUNTY OF: COWLITZ
STATE OF: WASHINGTON

APPLICATION BY: PORT OF LONGVIEW

SHEET 8 OF 8 DATE: 03-09-2000

Enclosure 3

Last Saved on Tue Mar 14 2000 at 10:02am by Yang *File Name: O:\2000\A00507\CADD\Env_App\S-07.dwg* *Scale: 48*

147

PORT OF PORTLAND

March 26, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
CENPP-PM
P.O. Box 2946
Portland, OR 97208-2946

Re: Port of Portland Marine Facilities – Current Information

Dear Ms. Hicks:

This letter provides updated information regarding the Port of Portland's facilities for the Corps to use in its Endangered Species Act (ESA) consultation with the National Marine Fisheries Service and Fish and Wildlife Service. As discussed below, the Port's plans for its West Hayden Island property have changed significantly since the Corps issued the Final Environmental Impact Statement for channel improvements in 1999. Specifically, the Port has withdrawn its development plans and is now simply holding the property in long term strategic reserve. Further, while some future redevelopment of the Port's existing marine facilities is possible, the Port does not have any specific redevelopment plans at this time. Any such redevelopment that may occur would not be part of or dependent on channel improvements. The only potential marine development that is related to channel improvements is anticipated berth deepening at the Port's Terminal 6, which is already covered by the FEIS and Biological Assessment.

West Hayden Island

As reported in the FEIS, the Port previously had planned to develop its West Hayden Island property, part of which is identified as a channel improvement disposal site, for marine terminal uses. However, at the end of 2000, in response to updated market analyses and concerns raised by some members of the public, the Port reassessed its development plans for West Hayden Island and decided to stop work on further development activities. Port of Portland Commission Agenda Item 15 (December 13, 2000) and News Release No. 88 (December 13, 2000) are attached. The Port subsequently withdrew the joint Corps/State of Oregon permit application it had submitted for marine terminal development and stopped work on all related environmental review for the project. At this time, because long term future requirements for additional marine facilities are difficult to predict, the Port is holding the West Hayden Island property in marine strategic reserve capacity. Should any marine development occur in the future, the requirement for Corps permits would subject such development to independent ESA consultation.

Enclosure 3

Terminal 6

The Corps' FEIS also reported a number of improvements to the Port's Terminal 6 facility, including improvements to the cranes, the truck gate and layout of the terminal. These improvements are now largely complete. Accordingly, the only significant improvement which the Port anticipates at this time would be berth deepening in the event that channel improvement occurs. Berth deepening at Terminal 6 is addressed in the FEIS and the Corps' recent Biological Assessment. The Port also understands that it is being addressed in the Corps' ongoing ESA consultation for channel improvements.

While future changes to or redevelopment of Terminal 6 are possible, the scope and timing of any such improvements cannot be predicted at this time. The Port is just beginning a master planning process for all of its marine terminals, including Terminal 6. The purpose of the master planning process is to assess current facilities, market conditions, opportunities, and plan for potential capital improvements. The master planning process will take approximately one year to complete. After the master planning process is complete, actual implementation of any major capital improvements is typically dependent on the needs of identified tenants for the facilities, which is in turn dependent on regional and national economic and market factors. The Port anticipates that any such improvements would occur with or without channel improvements and are not part of or dependent on channel improvements. Any significant improvements would also likely require independent ESA consultation.

Other Marine Facilities

Aside from routine maintenance activities (such as fender pile replacement) and planned redevelopment of the auto unloading facility at Terminal 4, the Port has no plans at this time for new development or redevelopment of its other marine facilities. The Port regularly engages in routine maintenance of its marine terminals, much of which is reviewed and conducted under the Corps' nationwide permits and the associated programmatic Biological Opinion. The Port is also currently in the process of obtaining permits for planned improvements to the existing auto import facility at Terminal 4 on the Willamette River. These improvements are scheduled for construction in the summer of 2003, and will proceed with or without channel improvements. The improvements are currently in the process of review under the Corps' nationwide permits and associated Biological Opinion.

The master planning effort discussed above with regard to Terminal 6 is addressing all of the Port's existing marine facilities. Accordingly, while future changes to or redevelopment of these facilities are possible, the scope and timing of any such improvements cannot be predicted at this time. Again, actual implementation of any major capital improvements is typically dependent on the needs of identified tenants for the facilities and the Port anticipates that such improvements would occur with or without channel improvements and are not part of or dependent on channel improvements. Significant improvements would also likely require independent ESA consultation.

Please feel free to contact me if you have any further questions about the Port's marine facilities.

Bob Hrdlicka
Director, Marine Department

Enclosures: Port of Portland Commission Agenda Item 15 (December 13, 2000)
Port of Portland News Release No. 88 (December 13, 2000)

Enclosure 3

PORT OF PORTLAND

Agenda Item No. 15

APPROVAL TO MODIFY PROGRAM – WEST HAYDEN ISLAND

December 13, 2000

Presented by: Jim Laubenthal
Manager, Project Development

FACTUAL BACKGROUND AND ANALYSIS

This agenda item requests a modification of the Port's program for West Hayden Island to stop work on permitting and rezoning for West Hayden Island marine facility and to place West Hayden Island into a marine strategic reserve category.

The Port purchased West Hayden Island in 1994, recognizing the need for marine facilities to meet a forecasted tripling of regional exports by 2030. Formal action began in March 1993 when the Commission gave direction to acquire West Hayden Island by either purchase or condemnation.

The 825-acre site is located adjacent to the Columbia River navigational channel, main lines of both the Union Pacific and Burlington Northern Santa Fe railroads, and the interstate highway system. Previously, in 1983, Metro approved the inclusion of West Hayden Island in the Urban Growth Boundary for marine uses.

In April 1997, the Commission approved a development program for West Hayden Island to ensure that the region's needs for future marine cargo facilities will be met. The Commission directed staff to proceed with permitting and zoning approvals to make the site ready for development as the need for these facilities arises. The Port has worked with industry, neighborhoods, environmental interests and state and federal agencies to prepare designs, environmental documents, and applications for permits and local zoning approval to develop three marine cargo facilities.

Following adoption of the development program, the Port began the formal process to secure permits consistent with the National Environmental Policy Act (NEPA). Port staff has been pursuing the following key regulatory goals:

- Preparation of an Environmental Impact Statement (EIS);
- Preparation of a biological assessment of the project impacts on threatened and endangered fish, plants and animals, leading to biological opinions from the National Marine Fisheries Service and U.S. Fish and Wildlife Service; and
- Annexation into the City of Portland and the application of the appropriate marine industrial and open space zoning classifications.

Several factors have caused staff to recommend a re-assessment of the current program.

First, the market for grain has changed dramatically since 1994, as a result of the Asian economic situation. The need for future marine terminals now appears to be more distant than originally anticipated — nearer the end of this decade at earliest, and possibly several years later. This makes current permitting efforts less urgent, as well as less precise in defining proposed development. Because of the longer time frame, additional work done today would likely require review, rework and amendments at some point in the future.

Second, the Port of Vancouver has recently moved forward with proposals to develop sites along the Columbia River in Vancouver to meet the region's needs. The Port of Portland has been urged to further evaluate the Port of Vancouver's proposals as an alternative to West Hayden Island in light of Hayden Island's environmental value to the region. Staff believes these new proposals merit further analysis. Staff is recommending that the Port of Portland continue working with the Port of Vancouver in the course of evaluating the region's need for marine cargo facilities in the 21st century and determining how best to meet those needs.

Staff is recommending that West Hayden Island be placed in a marine strategic reserve category. The long term future requirements and timing of marine facilities are hard to predict and it is prudent to maintain West Hayden Island as a potential candidate for this activity.

As part of the work completed thus far, the Port has undertaken substantial environmental analysis of the impacts of the proposed development, as well as design for mitigation to compensate for those impacts. Portions of the work product will serve the Port in the future if the permitting process re-commences. Some of the information will have a relatively long "shelf life," while some of the base line data will need to be updated and reanalyzed. Among the most useful information are detailed plans for wetland and fish habitat mitigation.

The Port engaged in a detailed consultation process with the National Marine Fisheries Service (NMFS) resulting in technical and scientific work of publishable quality. This includes information on fish compatible, in-water construction techniques; predator discouraging riverbank stabilization designs; and pier, dock and bridge designs compatible with out-migrant salmon smolt. Staff has discussions underway with NMFS and U.S. Fish and Wildlife and both agencies are interested in retaining the value of this work and agreeable to participation in this effort as peer review.

To retain the benefits of this work and make the information widely available, staff intends to coordinate with the Port's consultants on publishing portions of the work in scientific journals. Staff will also consider the potential for pilot testing components of the endangered fish off-channel resting area mitigation, which could be of current benefit for fish enhancement as well as future projects.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That that current projections of the maritime needs of this region do not warrant moving ahead with development efforts at West Hayden Island at this time, and staff is therefore directed to stop work at this time on current permitting and zoning approvals for West Hayden Island; and

BE IT FURTHER RESOLVED, that staff is directed to continue working with the Port of Vancouver to assess long term maritime needs of the region into the 21st century; and

BE IT FURTHER RESOLVED, that staff is directed to explore opportunities for fish enhancement, land management and advance mitigation that would be available to off-set future development impacts and provide improved habitat at West Hayden Island; and

BE IT FURTHER RESOLVED, that because West Hayden Island may serve the long term maritime needs of the region, it shall be maintained by the Port as a marine reserve property.

PORT OF PORTLAND
BOX 3529 PORTLAND OR 97208

NEWS RELEASE

December 13, 2000
No. 88

Contact: Steve Johnson
(503) 944-7053

PORT OF PORTLAND POSTPONES WEST HAYDEN ISLAND DEVELOPMENT

Port of Portland today announced the postponement of West Hayden Island marine industrial development.

In response to a recent market analysis by the Port and concerns raised by some members of the public, the Port has decided to postpone efforts to obtain development approvals for West Hayden Island. The Port's analysis predicts that the market need for future marine terminals is further out than originally anticipated. Some members of the public, including the Audubon Society of Portland, have encouraged the Port to evaluate alternatives to West Hayden Island to meet that market need. The Port's recent research indicates this merits further analysis.

The postponement will allow the Port to continue to work with the Port of Vancouver to evaluate future needs for marine cargo facilities in order to maintain the region's place in the global marketplace for the 21st century. It also will allow the Port to explore whether opportunities exist to do enhancement work that could conceivably count as advance mitigation in the event West Hayden Island is developed.

"The Port's role is to take the long view of our region's future as a participant in the global market, and to do so while protecting our natural resources," said Mike Thorne, Port of Portland Executive Director.

The Port's action stops zoning and annexation requests to the City of Portland; an Environmental Impact Statement and Biological Assessment with the U.S. Army Corps of Engineers; and federal permit approvals.

The Port will retain the West Hayden Island property as a strategic marine reserve, and will consider seeking development approvals when the region's market demand for marine cargo facilities is warranted.

(Over)

Enclosure 3

154

Port of Portland purchased the undeveloped west end of Hayden Island in 1994 for marine facilities in preparation to meet a forecasted tripling of regional exports by 2030. The 825-acre site is located adjacent to the Columbia River navigational channel, main lines of the Union Pacific and Burlington Northern Santa Fe railroads, and the interstate highway system.

The Port has worked with industry, neighborhoods, environmental interests and local governments to secure environmental permits and local zoning approval to develop three marine cargo facilities. The permits and zoning approvals would allow development of about 500 acres of the site to accommodate the region's marine cargo facility needs for the next 30 years with the remainder of the site left in open space.

# # #

\\POPFS\EXECUTIV-PVT\WP CENTER FILES\PUBLIC AFFAIRS\NEWS RELEASES\2000\NR-00-088.DOC

Enclosure 3

PORT OF ST. HELENS

Mailing Address: P.O. Box 598, St. Helens, Oregon 97051
Office Location: 100 E Street, Columbia City, Oregon 97018
Telephone: (503) 397-2888 • Fax: (503) 397-6924
Web Page: www.portsh.org

April 9, 2002

Ms. Laura Hicks
Project Manager
US Army Corps of Engineers
Portland District
333 S.W. First Avenue
Portland, OR 97204-3495

Re: Port of St. Helens Properties and Disposal Site – Current Information

Dear Ms. Hicks:

This letter provides updated information regarding the Port of St. Helens' facilities and disposal sites for the Corps to use in its Endangered Species Act (ESA) consultation with the National Marine Fisheries Service and Fish and Wildlife Service. As discussed below, the Port's Rainier facility has been sold to US Gypsum who recently completed a sheetrock and wallboard plant. With regard to other facilities, there are either no plans for development, or such work is unrelated to and not dependent on channel improvement.

U.S. Gypsum Facility. As documented in the attached newspaper articles, the Port sold its Rainier, Oregon facilities to US Gypsum, who recently completed the sheetrock and wallboard plant that was identified as potential development in the 1999 EIS and Biological Opinion. The project is finished and operational and is not dependent upon channel improvement. The Port understands that any berth deepening at US Gypsum's facility is addressed by the Corps' recent Biological Assessment and is therefore being addressed through the Corps' ongoing ESA consultation for channel improvement.

Port Westward / Clatskanie. As you know, the Port's Port Westward / Clatskanie facility has been identified as a disposal site for the channel improvement project. Existing marine facilities at Port Westward include a 1250' dock with 55' deep berth. Regardless of whether channel improvement is completed, the Port has no need or plans for additional wharfage or depth at this

Enclosure 3

time. Nor is the Port aware of any such plans by PGE, which leases much of the property (including the disposal site area).

The Port Westward property is zoned for heavy industry. All of the property is already above the 100 year flood plain and is protected by a dike from 500 year floods. Most of the property is also already above the 500 year flood plain. Further, existing dredge material already on site is sufficient for any minor structural fill needed for potential development projects. Accordingly, there is no need for new fill material from offsite sources. The Port therefore has no plans for use of the dredged materials from the Port Westward disposal site. The main reason for proposing this disposal site was to avoid other sites with wetland issues where disposal would have had higher impacts and costs.

Several potential development projects are proposed for the Port Westward property.[1] These projects are either permitted or currently going through the Oregon Energy Facility Siting Council permitting process. These projects consist of a grain loop track under development by the Port for a grain / ethanol facility under development by private developers, and two gas fired generating projects also under development by private developers. The grain project will go forward regardless of whether channel deepening occurs, does not need or rely on channel deepening (the grain largely comes to the facility by barge), and does not involve any significant changes to or development of wharves or berths. The proposed power projects are not marine uses and are completely unrelated to channel improvement.

The Port has also applied for an NPDES permit for a non-contact process water outfall for the entire site. I understand that the outfall pipe will likely be subject to a consultation with the Services under the ESA.

Railroad Area. The Railroad Area, including the area identified as a disposal site for the channel improvement project, is a former industrial site in need of remediation. The property was selected as a disposal site primarily to avoid other sites (Sauvies Island and Ridgefield refuge) that would have had higher impacts (wetlands issues) and therefore higher costs.

The Port, the Department of Environmental Quality and Pope & Talbot are currently cooperating on developing site remediation plans. No plans are finalized yet and no permits have been issued. The Port has no specific plans for use or development of the property at this time. Nor does the Port have any plans for use of the dredged material other than for use in site remediation and restoration. The sand will initially be high piled and then used for remediation of upland contamination and for habitat restoration in a creek mouth. Because the restoration project would involve in-water work, it would require federal permits and therefore require independent ESA consultation.

---

[1] The Port understands that, if any future development is inconsistent with use of the property as a dredge material disposal site, the Port will need to provide the Corps with a fully permitted alternative disposal site at no additional cost to the Corps.

Airport property. The Port does not currently own the property associated with the Lonestar disposal site. However, the Port is working with Glacier Northwest to have part of Glacier's pit filled with channel improvement materials. The Port may then be able to acquire and use the reclaimed land for open space purposes (property is within the airport clear zone). Any development of the property would be completely unrelated to channel improvement. Use of this disposal site allows the Corps and sponsor ports to avoid using Sauvies Island for dredge disposal, which would have involved wetland issues.

Columbia City. The Port also has shallow draft marine facilities at Columbia City (barge docks). The entire Columbia City facility is currently leased and the Port has no plans for any further dock facilities, deep draft berths or upland development at the facility. The Port does have a sand rehandling facility at Columbia City which is used for dredged materials from maintenance dredging of Port facilities. Any future maintenance dredging would be unrelated to channel improvement and would require independent ESA consultation.

I hope that the above information provides a good picture of the status of the Port of St. Helens' plans and property. Please call if you have any questions.

Your truly,

Peter Williamson
Executive Director
Port of St. Helens

Attachments: Newspaper articles re Port's sale of Rainier facility to US Gypsum and their completed development of facility.

Enclosure 3